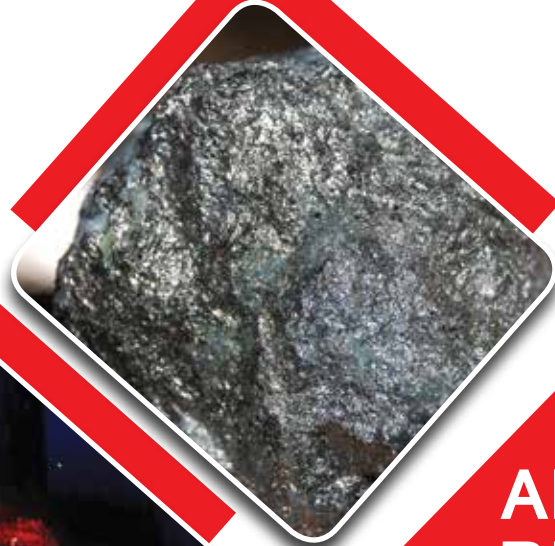


HIRA

HIRA FERRO ALLOYS



**ANNUAL
REPORT
2018 -19**

HIRA FERRO ALLOYS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Biswajit Choudhuri
Mr. Narayan Prasad Agrawal
Mr. Bhrigu Nath Ojha
Mr. Arvind Kumar Dubey
Mr. Yarra Chandra Rao
Mr. Manohar Khatri

Chairman, Independent Director
Managing Director
Independent Director
Executive Director
Non- Executive Director
Executive Director

CHIEF FINANCIAL OFFICER

Mr. Dilip Chauhan

COMPANY SECRETARY

Mr. Mohit Chande

AUDITORS

JDS & Co.
Chartered Accountants, Raipur

INTERNAL AUDITORS

OPS & Co.
Chartered Accountants, Raipur

REGISTRAR AND TRANSFER AGENT

M/s. Link Intime India Private Limited,
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083
E-mail : rnt.helpdesk@linkintime.co.in

BANKERS

State Bank of India
Axis Bank Limited
IDBI Bank Limited

REGISTERED OFFICE

567B, Urla Industrial Area,
Raipur -493221 Chhattisgarh
Tel: +91 – 771 - 4082350/ 4082360
Fax: +91 – 771 – 4082440
www.hiraferroalloys.com
CIN : U27101CT1984PLC005837

CORPORATE OFFICE

Hira Arcade, Near New Bus Stand,
Pandri, Raipur 492 004, Chhattisgarh,
Tel.: +91 – 771 – 4082000/ 4082001
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DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting the 35th Annual Report on the business & operations of the Company together with the Audited Statement of Financial Accounts and the Auditor's Report of the Company for the year ended 31st March 2019.

FINANCIAL RESULTS

(₹ in lacs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operations	26665.88	25234.92
Other Income	142.20	369.08
Total Revenue	26808.08	25604.00
Profit before Interest, Depreciation and Tax	1427.35	1935.39
Finance Charges	640.21	601.60
Depreciation & Amortization Expenses	574.35	548.98
Profit before Tax	212.79	784.81
Tax Expenses : Current Tax and Deferred tax	(163.94)	208.75
Net Profit after Tax	376.73	576.06
Other comprehensive income for the year, net of tax	(2.25)	(4.71)
Item that will be re-classified to Profit/ (Loss)		
Profit /(Loss) on fair value of financial Assets net of tax	(2324.54)	3760.53
Total Comprehensive Income For The Year, Net Of Tax	(1950.06)	4331.88

REVIEW OF PERFORMANCE:

The performance of your Company during the year under review was satisfactory due to demand in steel sector and better price realization. The highlights of the financial performance for the year are as under:

- Sales Revenue Increased to ₹ 26665.88 Lakhs as against previous year ₹ 25234.92 Lakhs, registering a growth of 5.67%.
- The sale of Ferro Alloys increased to ₹ 20290.36 Lakhs as against sale of previous year of ₹ 19391.86 Lakhs, registering a growth of 4.63% in view of favorable demand in Steel Sector.
- The sale of electricity division increased to ₹ 6017.47 Lakhs as against sale of previous year of ₹ 5808.11 Lakhs, registering a growth of 3.61% in view of operations of Bio-mass Power Plant.
- The Company registered Net Profit after tax of ₹ 376.72 Lakhs as against net profit after tax of ₹ 576.06 Lakhs during the previous year.

DIVIDEND

Your Directors did not recommend any dividend for the Financial Year 2018-19.

TRANSFER OF AMOUNTS & SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 125 of the Companies Act, 2013, our company has transferred an amount of ₹ 83457/- to Investor Education And Protection Fund (IEPF) which remained unpaid or unclaimed for a period of seven years relating to FY 2010-11 and 9,000 equity shares, whose dividend was unpaid/unclaimed for seven consecutive years have been transferred by the Company to IEPF.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of shares transferred to IEPF and unpaid and unclaimed amounts lying with the Company as on July 28, 2018 (date of last Annual General Meeting) on the Company's website (www.hiraferroalloys.com) and also on the Ministry of Corporate Affairs' website.

SHARE CAPITAL

There is no change in the capital structure of the company during the year under review.

As on 31st March, 2019, the paid up Equity Share Capital of the company was ₹ 1958.85 Lakhs divided into 1,95,88,500 Equity Shares of ₹ 10 each/-.

During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2019, the company has not issued any convertible instruments and none of the Directors of the Company hold convertible instruments of the Company.

The equity shares of the company representing 99.21% of the share capital are dematerialized as on 31st March, 2019. The dematerialization facility is available to the shareholders of the company from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Depositories has allotted the ISIN: INE573I01011 to the Company for dematerialization of shares of the company.

DEPOSITS

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO RESERVES

During the Financial year 2018-19, your Company has not transferred any amount to General Reserve.

CHANGES IN NATURE OF BUSINESS:

The Company has been engaged in the business of manufacturing Ferro Alloys, Products and Generation of Electricity. There is no change in the nature of business of the Company during the Financial Year 2018-19.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION:

There are no material changes and commitments affecting the financial position of the Company occurred between 01.04.2019 to the date of this report.

CHANGES IN STATUS OF SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

None of the companies has become subsidiary or associate of the Company during the Financial Year 2018-19.

PARTICULARS OF EMPLOYEES

The Statement showing the names and other particulars of the employees of the company as required under Rule 5 (2&3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be furnished since none of the employees of the company has received remuneration in excess of the remuneration mentioned in the above mentioned Rule 5 (2) during the financial year 2018-19.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONS:

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, none of the Directors were appointed or ceased during the financial year 2018-19.

The 1st term of office of Mr. Biswajit Choudhuri, Independent Director and Mr. Bhrighu Nath Ojha, Independent Director will expire in the ensuing Annual General Meeting of the company. The Board of Directors, on recommendation of Nomination and Remuneration Committee has recommended re-appointment of Mr. Biswajit Choudhuri, Independent Director and Mr. Bhrighu Nath Ojha, Independent Director, as an Independent Directors of the Company for a second term of 5 (five) consecutive years on the expiry of their current term of office.

In accordance with the provisions of Section 152(6) (c) of the Companies Act, 2013 and the Company's Articles of Association, Mr. Yarra Chandra Rao, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

There is no change in directors and key managerial person of the Company during the financial year 2018-19.

The Board designated the following officials as the Key Managerial Personnel, pursuant to Section 2(51) of the Companies Act, 2013 read with Section 203 of the Act:

1. Mr. Narayan Prasad Agrawal, Managing Director;
2. Mr. Arvind Kumar Dubey, Whole-time Director;
3. Mr. Manohar Khatri, Whole-time Director;
4. Mr. Dilip Chouhan, Chief Financial Officer
5. Mr. Mohit Chande, Company Secretary

CONSTITUTION OF CSR COMMITTEE, CSR POLICY AND INITIATIVES

The Board of Directors in its meeting held on 27th July, 2018 has constituted the CSR Committee, since the Company's Net Worth, Turnover and profit for the last three Financial Years do exceed the limits prescribed in Section 135(1) of the Companies Act, 2013.

The composition of Corporate Social Responsibility Committee (CSR Committee) w.e.f 27th July, 2018 is as under:

Sl. No.	Name of the Director	Designation
1	Mr. Biswajit Choudhuri	Chairman-Independent Director
2	Mr. Arbind Kumar Dubey	Member-Executive Director
3	Mr. Y. C. Rao	Member-Non Executive Director

CSR COMMITTEE'S RESPONSIBILITY STATEMENT:

CSR Committee hereby states that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and Policy of the Company.

Corporate Social Responsibility committee of the Board has recommended and the Board has approved a Corporate Social Responsibility Policy in line with the requirements of Section 135 of the Act. The Corporate Social Responsibility Policy is available on the website of the Company at www.hiraferroalloys.com. Our company was not required to spend any amount on CSR activities as net profit of the Company as per calculation under section 198 of Companies Act, 2013 was less than 5.00 crores and turnover and net-worth was also below the thresholds limit, hence the CSR Report is not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013 based on the representations received from the operating management and Chief Financial Officer of the company:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That your Directors have selected such accounting policies and applied them consistently, and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- d) That your Directors have prepared the annual accounts on a going concern basis;
- e) That your Directors had laid down proper internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively;
- f) That your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS:

All independent directors of the Company have given declarations as required under the provisions of section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as laid down under section 149 (6) of the Companies Act, 2013.

ANNUAL EVALUATION OF BOARD, ETC.

The Nomination and Remuneration Committee has formulated criteria for evaluation of the performance of the each of the directors of the company. On the basis of said criteria, the Board and all its committees and directors have been evaluated by the Board of directors in its meeting held on 02.02.2019.

Independent Directors' Meeting:

During the year under review, the Independent Directors met on 02.02.2019 inter alia, to discuss:

- Review the performance of Independent Directors.
- Review the performance of the Non-Independent Directors.
- Review the performance of the committees and Board as a whole.
- Review the performance of the Chairman of the company, taking into account the views of Executive Directors and Non Executive Directors.

Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

AUDIT COMMITTEE COMPOSITION:

The Board of Directors has constituted an Audit Committee comprising of three directors including two Independent Directors and one Non-Executive Director all having financial literacy.

The audit committee met four times during the year 2018-19. The composition of the committee and the details of meeting attended by its members during the year are given below:

Sl. No.	Name of the Director	Designation	Attendance at the Audit Committee Meetings held on			
			01.05.2018	27.07.2018	25.10.2018	02.02.2019
1	Mr. Biswajit Choudhuri	Chairman-Independent Director	Present	Present	Present	Present
2	Mr. Bhriгу Nath Ojha	Member Independent Director	Present	Present	Absent	Present
3	Mr. Y. C. Rao	Member Non Executive Director	Present	Present	Present	Present

The functioning and terms of reference of the audit committee the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013.

NUMBER OF MEETINGS OF BOARD:

During the year, Four Board Meetings were duly convened and the necessary quorum was maintained in all the said meetings.

The Composition of the Board and the attendance of the directors are as under;

Sl. No.	Name of the Director	Designation	Attendance at the Board Meeting held on			
			01.05.2018	27.07.2018	25.10.2018	02.02.2019
1	Mr. Biswajit Choudhuri	Chairman-Independent Director	Present	Present	Present	Present
2	Mr. Narayan Prasad Agrawal	Managing Director	Present	Present	Absent	Present
3	Mr. Bhriгу Nath Ojha	Independent Director	Present	Present	Absent	Present
4	Mr. Arbind Kumar Dubey	Executive- Director	Absent	Present	Present	Present
5	Mr. Y. C. Rao	Non-Executive Director	Present	Present	Present	Present
6	Mr. Manohar Khatri	Executive- Director	Present	Absent	Present	Absent

NOMINATION AND REMUNERATION POLICY:

During the year one meeting was duly convened and all the members attended the meeting. The composition of the committee and the details of meeting attended by the members during the year are given below:

Sl. No.	Name of the Director	Designation	Attendance at the Nomination and Remuneration Committee meeting held on 01.05.2018
1	Mr. Bhrigu Nath Ojha	Chairman-Independent Director	Present
2	Mr. Biswajit Choudhuri	Member- Independent Director	Present
3	Mr. Y. C. Rao	Member- Non Executive Director	Present

The Nomination and Remuneration Policy of the company as adopted by the Board is attached as Annexure-1 and also available on <http://www.hirafferroalloys.com/financials/downloads/policies/Nomination-Remuneration-Policy.pdf>

The Non-Executive Directors are paid sitting fees within the limit prescribed under Companies Act, 2013. ₹ 10,000/- per meeting for attending the Board and Audit Committee meetings and ₹ 5,000/- per meeting for attending other committee meetings.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of two Independent Directors and one Non-Executive Director and Company Secretary has been designated as secretary to the committee. During the year there is no change in the Composition of the Committee.

The Stakeholders Relationship Committee met four times during the year 2018-19. The composition of the committee and the details of meeting attended by its members during the year are given below:

Sl. No.	Name of the Director	Designation	Attendance at the Stakeholders Relationship Committee Meetings held on			
			01.05.2018	27.07.2018	25.10.2018	02.02.2019
1	Mr. Biswajit Choudhuri	Independent Director	Present	Present	Present	Present
2	Mr. Bhrigu Nath Ojha	Member -Independent Director	Present	Present	Absent	Present
3	Mr. Y. C. Rao	Member - Non Executive Director	Present	Present	Present	Present

The Committee oversees the performance of the Registrar and Share Transfer Agents', recommends measures to improve the level of investor services and matters pertaining to shareholders' complaints and grievances e.g. non-receipt of annual report, non-receipt of dividend warrant, change of address etc. The functioning and terms of reference of the committee the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of the Companies Act, 2013.

AUDITORS:**Statutory Auditors**

The statutory auditor of your Company, M/s JDS & Co., Chartered Accountants, having Registration No.018400C, were appointed for a period of 5 (five) years at the 34th Annual General Meeting held on 28th July 2018. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of statutory auditor by the shareholders at every Annual General Meeting. Hence, the approval of the members is not being sought for the re-appointment of the statutory auditor and in line with their resolution of appointment passed at the Annual General Meeting held on 28th July, 2018, the statutory auditor will continue to hold office till the conclusion of the 39th Annual General Meeting of the Company held in the year 2022. The statutory auditor have confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the statutory auditor. The report given by the statutory auditor on the financial statements of the Company is part of the Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the statutory auditor in their report.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules, 2014, M/s Sanat Joshi & Associates has been appointed as cost auditors for conducting Cost Audit for the financial year 2019-20. The cost records are maintained with the Company.

Internal Auditors

M/s. OPS & Co, Chartered Accountants were appointed as Internal Auditors for the FY 2019-20.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jain Tuteja & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report on Secretarial Audit of the Company is annexed herewith as **Annexure-2**. There are no qualified opinion or Adverse remarks in the Secretarial Audit Report of the Company.

AUDITOR'S REPORTS

There are no qualifications, reservations, adverse remarks or disclaimers in the Statutory Auditor's Report on the Financial Statements of the company for the financial year 2018-19 and hence does not require any explanations or comments.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors in its meeting held on 9th February, 2015 approved and established 'Whistle Blower Policy' and 'Code of Conduct' for the directors & employees of the Company as required under the provisions of Sec. 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014.

The said Policy has been properly communicated to all the directors and employees of the Company through the respective departmental heads and the new employees shall be informed about the Vigil Policy by the Personnel Department at the time of their joining. The Details of Establishment of Mechanism is available on <http://www.hiraferroalloys.com/financials/downloads/policies/Notification-Whistle-Blower-Policy.pdf>

RELATED PARTY TRANSACTIONS

The Audit Committee in its meeting held on 01st May, 2018 has given their approval to the Board of the Company for entering into transactions with related party in accordance with the provisions of Section 188 of the Companies Act, 2013.

All related party transactions that were entered into by the Company during the financial year 2018-19 were on arms length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or related parties which may have a potential conflict with the interest of the company at large.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans given and Investments made by the company as covered under the provisions of Section 186 of the Companies Act, 2013 are given in Financial Statements (Ref. Note 5, 11 & 31). The company has not given any corporate guarantees to any other party.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the company and its future operations.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, are as under :-

Conservation of Energy:

Steps taken for conservation:

No additional measures have been taken during the financial year for conservation of energy

Steps taken for utilization of alternate sources of energy:-

None

Capital Investment of energy conservation equipments:-

NIL

Technology Absorption

Efforts made for technology absorption

None

Benefit Derived

NA

Expenditure on Research and Development, if any

None

Details of technology Import, if any

None

Year of Import

NA

Whether imported technology fully absorbed

NA

Area where absorption of imported technology has not taken place if any

NA

Foreign Exchange Earning/Outgo

Earning (FOB)

₹ 207.75 Lakhs

Outgo

₹ 2371.77 Lakhs

During the year under review your company has used foreign exchange of ₹ 1.70 Lakhs (previous year ₹ 76.87 Lakhs).

ANNUAL RETURN

The annual return of the Company as required under the Companies Act, 2013 will be available on the website of the Company at investors relation at <http://www.hiraferroalloys.com>. The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as **Annexure-3**.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system commensurate with the size and scale and complexity of its operations. The scope and authority of Internal Audit functions have been defined in the Internal Audit Charter to maintain its objectivity and independence. The Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating system, accounting procedures and policies of the company. Based on the report of the Internal Auditors, process owners undertake corrective actions in their respective areas and thereby strengthen the control. Significant Audit observations and corrective actions, thereon are presented to the Audit Committee of the Board.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The Company has adopted a Risk Management Policy to identify and evaluate business risks associated with the operations and

other activities of the Company and formulated risk mitigations strategies.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, Temporary Training) are covered under this Policy. However no complaint has been received during the year 2018-19.

ACKNOWLEDGEMENTS

The Board expresses its sincere gratitude to the shareholders, bankers, State and Central Government authorities and the valued customers for their continued support. The Board also wholeheartedly acknowledges and appreciates the dedicated efforts and commitment of all employees of the Company.

For and on behalf of Board of Directors

Raipur, 29.04.2019

Biswajit Choudhuri
Chairman

Nomination and Remuneration Policy

1. OBJECTIVE

This Nomination and Remuneration Policy has been framed in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

2. DEFINITIONS

2.1. "Committee" means Nomination and Remuneration Committee.

2.2. "Senior Management Personnel" means Senior Management Personnel of the company who are members of its core management team including Functional Heads.

3. NOMINATION POLICY

i. The Committee shall identify persons who possess adequate qualification, expertise and experience for the position he/she is considered for appointment as Director, Key Managerial Personnel (KMP) or at Senior Management level Personnel (SMP) and recommend to the Board his/her appointment.

ii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders.

4. TERM / TENURE

The Company shall appoint or re-appoint any person as its Managing Director, Executive Director, Independent Director or Non-executive Director for a term not exceeding period as mentioned in the Companies Act, 2013 or any amendment made from time to time.

5. EVALUATION

The Committee shall review the performance of every Director at regular interval or at least once in a year.

6. REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

7. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

8. REMUNERATION POLICY

The remuneration, compensation, commission, sitting fee, etc. to the Directors, KMP and SMP will be determined by the Committee and recommended to the Board for approval subject to limitations mentioned in the Companies Act, 2013 and the amendments made therein from time to time. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

9. AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Committee.

10. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

11. DISSEMINATION OF POLICY

This policy shall be disclosed in the annual report of the Company.

12. EFFECTIVE DATE

This Policy shall come into force on 15.05.2015.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014)

To,
 The Members,
 Hira Ferro Alloys Limited

We have conducted the secretarial audit of the compliance of applicable statutory provision and the adherence to good corporate practices by **Hira Ferro Alloys Limited (CIN:U27101CT1984PLC005837)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provides us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Hira Ferro Alloys Limited's books, paper, minute books, forms, and return filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representative during the conduct of secretarial audit and as per the explanations given to us and the representation made by the management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 generally complied with the statutory provisions listed hereunder and also that company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Hira Ferro Alloys Limited for the financial year ended on 31st March, 2019 according to the applicable provision of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder; to the extent of External Commercial Borrowings;
4. Other laws applicable to the company as per the representations made by the Management.
5. The following Enactments, Agreements and Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993,

- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018.
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- i. The Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999
- j. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- k. The Listing Agreements;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the all applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review and as per the explanations and clarifications given to us and the representation made by management, the company has generally complied with the provision of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that the Board of Directors, the Audit Committee and Remuneration Committee of the company were duly constituted. There are no changes in the composition of the Board of Directors during the period under review.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report as per the explanation given to us and the representation made by the management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to the monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no such specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above, have taken place.

FOR JAIN AND TUTEJA ASSOCIATES

Tanveer Kaur Tuteja
 (Partner)
 Practicing Company Secretary

Place: Raipur
 Date: 27.04.2019

M. No.:7704
 C. P. No.:8512

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members
Hira Ferro Alloys Limited

Our report of even date is to be read along with this note.

1. Maintenance of secretarial records is the responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, We have obtained the management representative about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provision of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR JAIN AND TUTEJA ASSOCIATES

Tanveer Kaur Tuteja
(Partner)

Practicing Company Secretary

M. No.:7704

C. P. No.:8512

Place: Raipur

Date: 27.04.2019

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U27101CT1984PLC005837
Registration Date :	31.12.1984
Name of the Company:	Hira Ferro Alloys Limited
Category / Sub-Category of the Company:	Company Limited By Shares Non Govt. Company
Address of the Registered office and contact details:	Plot No. 567/B, Urla Industrial Area, Raipur Chhattisgarh, Phone +91-771-4082450-51 Fax : +91-771-4082452
Whether listed company:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited C-101,247 Park, L B S Marg, Vikhroli West, Mumbai-400083. Telephone Number:022-49186000 Fax Number:022- 49186060 Email : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Ferro Alloys	27110	76.09
2	Generation of Electricity	40102	22.56

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/GLN	Holding/subsidiary / associate	% of shares held	Applicable Section
-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(A) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	478782	0	478782	2.44	478782	0	478782	2.44	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	16202121	0	16202121	82.71	16202121	0	16202121	82.71	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other/PAC	1987835	0	1987835	10.15	1987835	0	1987835	10.15	0
Sub-total (A) (1):-	18668738	0	18668738	95.30	18668738	0	18668738	95.30	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	18668738	0	18668738	95.30	18668738	0	18668738	95.30	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	38045	66000	104045	0.53	47520	64500	112020	0.57	0.04
ii) Overseas	0	0	0	0	0	0	0	0.00	0.00
b) Individuals									
ii) Individual shareholders holding nominal share capital in upto of ₹ 1 lakh	450766	89431	540197	2.76	468346	81431	549777	2.81	0.05
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	200644	0	200644	1.02	176714	0	176714	0.90	-0.12
c) Others									
i) Clearing Member	8469	0	8469	0.04	1319	0	1319	0.01	-0.04
ii) Trust	10	0	10	0.00	10	0	10	0.00	0.00
iii) NRI (Repate)	9158	0	9158	0.05	9158	0	9158	0.05	0.00
iv) NRI (Non Repate)	7426	0	7426	0.04	12426	0	12426	0.06	0.03
v) Other Director	15	0	15	0.00	15	0	15	0.00	0.00
vi) HUF	41298	0	41298	0.21	40823	0	40823	0.21	0.00
v) IEPF	8500	0	8500	0.04	17500	0	17500	0.09	0.05
Sub-total (B)(2):-	764331	155431	919762	4.70	773831	145931	919762	4.70	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	764331	155431	919762	4.70	773831	145931	919762	4.70	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	19433069	155431	19588500	100.00	19442569	145931	19588500	100.00	0.00

(B) Shareholding of Promoters

S. NO.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Share holding at the end of the year 31.03.2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Godawari Power And Ispat Ltd	9491000	48.45	0	9491000	48.45	0	0
2	Hira Infra-Tek Limited	4454621	22.74	0	4454621	22.74	0	0
3	Alok Ferro Alloys Limited	975000	4.98	0	975000	4.98	0	0
4	Hira Cement Limited	650000	3.32	0	650000	3.32	0	0
5	Hira Power And Steels Limited	31500	0.16	0	31500	0.16	0	0
6	Hira Steels Limited	50000	0.26	0	50000	0.26	0	0
7	N P Agrawal	265782	1.36	0	265782	1.36	0	0
8	Hanuman Prasad Agrawal	105000	0.54	0	105000	0.54	0	0
9	Bajrang Lal Agrawal	104000	0.53	0	104000	0.53	0	0
10	Dinesh Agrawal	1078000	5.50	0	1078000	5.50	0	0
11	Madhu Agrawal	199500	1.02	0	199500	1.02	0	0
12	Reena Agrawal	374000	1.90	0	374000	1.90	0	0
13	Sita Devi Agrawal	64000	0.33	0	64000	0.33	0	0
14	Jagdish Prasad Agrawal (HUF)	4500	0.02	0	4500	0.02	0	0
15	Jagdish Prasad Agrawal (Karta of Ram Richhpal Agrawal HUF)	10000	0.05	0	10000	0.05	0	0
16	Kanika Agrawal	4500	0.02	0	4500	0.02	0	0
17	Hanuman Prasad Agrawal (HUF)	4000	0.02	0	4000	0.02	0	0
18	Bajrang Lal Agrawal (HUF)	3000	0.02	0	3000	0.02	0	0
19	Jagdish Prasad Agrawal	3000	0.02	0	3000	0.02	0	0
20	Abhishek Agrawal	1000	0.01	0	1000	0.01	0	0
21	Siddharth Agrawal	835	0.00	0	835	0.00	0	0
22	Gopal Prasad Agrawal	211000	1.08	0	211000	1.08	0	0
23	Sarita Devi Agrawal	22000	0.11	0	22000	0.11	0	0
24	Amit Kumar Agrawal	12500	0.06	0	12500	0.06	0	0
25	Vinay Buildcon Private Limited	550000	2.81	0	550000	2.81	0	0
Total		18668738	95.30	0	18668738	95.30	0	0.00

C Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in shareholding of promoter and promoter group during the year FY 2018-19.

D Change in Top Ten Shareholding (please specify, if there is no change)

S. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 01.04.2018		Transactions during the year		Cumulative Shareholding at the end of the year – 31.03.2019	
		No. of Shares Held	% of total shares of the company	Date of Transaction	No. of shares	No of Shares Held	% of Total Shares of The Company
1	Sanjiv Agarwal	75000	0.3829			75000	0.3829
	At the end of the year					75000	0.3829
2	Vinod K. Nayar	73509	0.3753			73509	0.3753
	At the end of the year					73509	0.3753
3	Dalal Street Finance Co. Ltd	60000	0.3063			60000	0.3063
	At the end of the year					60000	0.3063
4	Sanjiv Kumar Rathi	0	0.0000			0	0.0000
	Transfer			05.10.2018	28205	28205	0.1440
	At the end of the year					28205	0.1440
5	Ginni Finance Pvt. Ltd.	25526	0.1303			25526	0.1303
	At the end of the year					25526	0.1303
6	Maniben Ugrabhai Patel	19880	0.1015			19880	0.1015
	At the end of the year					19880	0.1015
7	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	8500	0.0434			8500	0.0434
	Transfer			02.11.2018	9000	17500	0.0893
	At the end of the year					17500	0.0893
8	Smita Jagannath Chakravarti	12500	0.0638			12500	0.0638
	At the end of the year					12500	0.0638
9	Jatin Virendra Doshi	10000	0.0511			10000	0.0511
	At the end of the year					10000	0.0511
10	Sigma Vanijya Pvt Ltd	10000	0.0511			10000	0.0511
	At the end of the year					10000	0.0511
11	Bimla Devi Rathi	19755	0.1008			19755	0.1008
	Transfer			05.10.2018	(19755)	0	0.0000
	At the end of the year					0	0.0000

E. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
A	SHRI NARAYAN PRASAD AGRAWAL – MANAGING DIRECTOR – KMP				
1	At the beginning of the year	265782	1.36	265782	1.36
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00	0	0.00
3	At the End of the year	265782	1.36	265782	1.36
B.	SHRI YARRA CHANDRA RAO – DIRECTOR				
1	At the beginning of the year	15	0.00	15	0.00
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00	0	0.00
3	At the End of the year	15	0.00	15	0.00
C	SHRI ARBIND KUMAR DUBEY – WHOLE TIME DIRECTOR- KMP				
1	At the beginning of the year	0.00	0.00	0.00	0.00
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0.00	0.00	0.00	0.00
3	At the End of the year	0.00	0.00	0.00	0.00
D	SHRI BISWAJIT CHOUDHURI – INDEPENDENT DIRECTOR				
1	At the beginning of the year	0.00	0.00	0.00	0.00
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0.00	0.00	0.00	0.00
3	At the End of the year	0.00	0.00	0.00	0.00
E	SHRI BHRIGU NATH OJHA - INDEPENDENT DIRECTOR				
1	At the beginning of the year	0.00	0.00	0.00	0.00
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0.00	0.00	0.00	0.00
3	At the End of the year	0.00	0.00	0.00	0.00
F	SHRI MANOHAR KHATRI – WHOLE TIME DIRECTOR- KMP				
1	At the beginning of the year	0.00	0.00	0.00	0.00
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0.00	0.00	0.00	0.00
3	At the End of the year	0.00	0.00	0.00	0.00
G	SHRI DILIP CHAUHAN – CFO – KMP				
1	At the beginning of the year	15	0.00	15	0.00
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00	0	0.00
3	At the End of the year	15	0.00	15	0.00
H	SHRI MOHIT CHANDE – CS – KMP				
1	At the beginning of the year	15	0.00	15	0.00
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00	0	0.00
3	At the End of the year	15	0.00	15	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	3954.26	791.51	0.00	4745.77
ii) Interest due but not paid	8.56	51.64	0.00	60.20
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	3962.82	843.15	0.00	4805.97
Change in Indebtedness during the financial year				
• Addition (including interest)	245.94	801.99	0.00	1047.93
• Reduction	(1332.07)	(300.85)	0.00	(1632.92)
Net Change	(1086.13)	501.14	0.00	(584.99)
Indebtedness at the end of the financial year				
i) Principal Amount	2851.72	1215.66	0.00	4067.38
ii) Interest due but not paid	24.97	128.63	0.00	153.60
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	2876.69	1344.29	0.00	4220.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

Sl No.	Particulars of Remuneration	Narayan Prasad Agrawal (MD)	Arbind Kumar Dubey (WTD)	Manohar Khatri (WTD)	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90.00	17.13	10.84	117.97
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission	NA	NA	NA	NA
	- as % of profit	NA	NA	NA	NA
5	Others, please specify	--	--	--	--
	Total	90.00	17.13	10.84	117.97
	Ceiling as per the Act	As per schedule V of the Companies Act, 2013			

B. Remuneration to other directors:

(₹ in Lacs)

Sl. no.	Particulars of Remuneration	Biswajit Choudhuri	B.N. Ojha	Yarra Chandra Rao	Total Amount
1	. Independent Directors				
	• Fee for attending board / committee meetings	1.20	0.85	NA	2.05
	• Commission	NA	NA	NA	NA
	• Others, please specify	NIL	NIL	NA	NIL
	Total (1)	1.20	0.85	0.00	2.05
2	. Other Non-Executive Directors				
	• Fee for attending board / committee meetings	NA	NA	0.30	0.30
	• Commission	NA	NA	NA	NA
	• Others, please specify	NIL	NIL	NA	NA
	Total (2)	0.00	0.00	0.30	0.30
	Total (B)=(1+2)	1.20	0.85	0.30	2.35
	Total Managerial Remuneration	Maximum amount of ₹ 1.00 Lakh for each Director as sitting fee for attending each meeting of the Board or its Committee is allowed under the Act.			
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lacs)

Sl. No	Particulars of Remuneration	Mohit Chande (CS)	Dilip Chauhan (CFO)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.08	13.81	24.89
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA	NIL
2	Stock Option	NA	NA	NIL
3	Sweat Equity	NA	NA	NIL
4	Commission – as % of profit	NA	NA	NIL
5	Others, please specify	NA	NA	NIL
	Total	11.08	13.81	24.89

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

Independent Auditor's Report

To the Members of
Hira Ferro Alloys Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of **Hira Ferro Alloys Limited** ('the Company'), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that

are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 37 to the standalone Ind AS financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, JDS & Co.
(ICAI Firm Regn. No.018400C)
Chartered Accountants

Sanjay Dewangan
Partner
Membership No.409524
Raipur, 29th April, 2019

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, which, in our opinion, is reasonable, looking to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- (ii) As explained to us, the physical verification of inventories have been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year, therefore, the provisions of (iii) (a) to (c) of clause 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of section 73 to 76 of the Act and Rules framed there under to the extent notified; therefore the provisions of clause 3 (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods & services tax, duty of customs, cess and any other statutory dues with the appropriate authorities though there has been delay observed in some cases. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, goods & services tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute other than the followings:

Name of the Statute	Nature of Dues	Amount ₹ in Lacs	Forum where dispute is pending
Central Sales Tax Act, 1956	Demand of Central Sales Tax for the F.Y. 1997-98	2.62	Board of Revenue, Bilaspur
Central Sales Tax Act, 1956	Demand of Central Sales Tax for the F.Y. 1994-95	0.72	Board of Revenue, Bilaspur
Central Sales Tax Act, 1956	Demand of Central Sales Tax for the F.Y. 1995-96	1.64	Board of Revenue, Bilaspur
Central Sales Tax Act, 1956	Demand of Entry Tax for the F.Y. 2009-10	6.94*	Before the Deputy Comm. Appeal, Raipur
C.G. Commercial Tax Act, 1994	Demand of Entry Tax for the F.Y. 2006-07	3.26*	Dy. Commissioner, Commercial Taxes Appeals, Raipur
C.G. Commercial Tax Act, 1994	Demand of Value Added Tax for the F.Y. 2013-14	3.25*	Dy. Commissioner, Commercial Taxes Appeals, Raipur
C.G. Commercial Tax Act, 1994	Demand of Entry Tax for the F.Y. 2008-09	14.03*	Dy. Commissioner, Commercial Taxes Appeals, Raipur
C.G. Commercial Tax Act, 1994	Demand of Entry Tax for the F.Y. 2010-11	6.05*	Dy. Commissioner, Commercial Taxes Appeals, Raipur
C.G. Commercial Tax Act, 1994	Demand of Entry Tax for the F.Y. 2012-13	10.46*	Dy. Commissioner, Commercial Taxes Appeals, Raipur
Central Excise Act, 1944	Demand raised of CENVAT Credit availed on Capital Goods for the F.Y. 1995-96	5.56	High Court of Chhattisgarh, Bilaspur
Central Excise Act, 1944	Demand of Cenvat credit on item-Jumbo Bags, Rail & Rail cuttings and G.I. Wire netting – Aug'2012 to Nov.' 2012	1.01	The Deputy Commissioner, Central Excise & Customs Division-II Raipur
Central Excise Act, 1944	Denial of credit availed on inputs for structural items during January, 2007 to February, 2007	4.49	High Court of Chhattisgarh at Bilaspur.
Central Excise Act, 1944	Denial of credit availed on inputs for structural items during January, 2007 to December, 2007	2.67	High Court of Chhattisgarh at Bilaspur.
Central Excise Act, 1944	Demand of Cenvat Credit availed on inputs used in construction of Ferro alloys Unit during February to Nov., 2008	72.34	Commissioner, Central Excise & Customs, Raipur
Chhatisgarh Upkar Adhiniyam 1981	Energy Development Cess	1884.73	Supreme Court

*Net of amount deposited under protest or otherwise.

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly the provisions of clause 3 (ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3 (x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xi) The Company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3 (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

For, JDS & Co.
(ICAI Firm Regn. No.018400C)
Chartered Accountants

Sanjay Dewangan
Partner
Membership number: 409524
Raipur, 29th April, 2019

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Hira Ferro Alloys Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, JDS & Co.
(ICAI Firm Regn. No.018400C)
Chartered Accountants

Sanjay Dewangan
Partner
Membership number: 409524
Raipur, 29th April, 2019

Balance Sheet as at 31st March 2019

Particulars	Note	31.03.2019 (Amount in INR)	31.03.2018 (Amount in INR)
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment	3	1,054,666,631	995,650,114
(b) Capital work-in-progress		4,393,444	52,341,323
(c) Other Intangible Assets	4	312,413	659,902
(d) Financial Assets			
(i) Investments	5	533,417,331	772,236,015
(ii) Other financial assets	6	20,000	20,000
(e) Other Non-current Assets	7	60,183,073	52,618,437
		<u>1,652,992,892</u>	<u>1,873,525,791</u>
(2) Current Assets			
(a) Inventories	8	489,183,201	467,401,691
(b) Financial Assets			
(i) Trade receivables	9	79,795,683	156,658,030
(ii) Cash & cash equivalents	10	2,479,284	6,181,713
(iii) Bank balances other than Cash and cash equivalents mentioned above	10	38,705,323	46,390,280
(iv) Loans	11	68,895,953	109,408,298
(c) Current Tax Assets (Net)		3,376,882	-
(d) Other Current Assets	12	263,560,929	214,948,561
		<u>945,997,255</u>	<u>1,000,988,574</u>
TOTAL ASSETS		<u>2,598,990,147</u>	<u>2,874,514,365</u>
EQUITY AND LIABILITIES:			
Equity			
(a) Equity Share capital	13	195,885,000	195,885,000
(b) Other Equity		1,300,573,435	1,495,579,731
Liabilities			
(1) Non-current Liabilities :			
(a) Financial Liabilities			
(i) Borrowings	14	79,390,071	11,966,255
(b) Provisions	15	13,409,360	12,935,996
(c) Deferred tax liabilities (Net)	16	30,138,855	56,439,841
		<u>1,619,396,720</u>	<u>1,772,806,824</u>
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	334,435,012	435,243,413
(ii) Trade Payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		408,527,603	446,224,775
(iii) Other financial liabilities	18	8,607,198	33,805,473
(b) Other current liabilities	19	225,794,505	181,858,506
(c) Provisions	20	2,229,108	1,029,629
(d) Current tax liabilities (net)		-	3,545,746
		<u>979,593,427</u>	<u>1,101,707,542</u>
TOTAL EQUITY AND LIABILITIES		<u>2,598,990,147</u>	<u>2,874,514,365</u>
Significant Accounting Policies	2		

As per our Report of even date attached

For J D S & Co.

(ICAI Firm Regn.No.018400C)

Chartered Accountants

Sanjay Dewangan

Partner

Membership No. 409524

Place : Raipur

Date : 29th April, 2019

For and on behalf of the Board of Directors of Hira Ferro Alloys Limited

(N. P. AGRAWAL)

Managing Director

(Y C RAO)

Director

(MOHIT CHANDE)

Company Secretary

(DILIP CHAUHAN)

CFO

Statement of Profit and loss for the year ended 31st March 2019

Particulars	Note	2018-19 (Amount in INR)	2017-18 (Amount in INR)
I. Revenue from operations (Gross)	21	2,666,587,564	2,523,492,302
II. Other income	22	14,220,392	36,907,880
III. Total Revenue (I + II)		2,680,807,956	2,560,400,182
IV. Expenses:			
Cost of raw materials consumed	23	1,599,383,308	1,746,791,116
Purchases of traded goods		23,393,109	3,777,446
Changes in inventories of finished goods and Stock-in-Trade	24	(27,931,705)	(7,730,011)
Excise Duty on sales		-	38,470,903
Employee benefits expense	25	101,007,216	89,340,496
Finance costs	26	64,020,727	60,159,667
Depreciation and amortization expense	27	57,435,467	54,898,227
Other expenses	28	842,221,109	496,210,838
Total Expenses		2,659,529,232	2,481,918,683
V. Profit Before Tax (III - IV)		21,278,724	78,481,499
VI. Tax expense:			
(1) Current tax		3,757,369	18,809,475
(2) Deferred Tax		(20,151,387)	2,066,271
		(16,394,018)	20,875,746
VII. Profit for the year (V - VI)		37,672,742	57,605,753
VIII. Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans, net of tax		(225,030)	(471,040)
Items that will be reclassified to profit or loss			
Profit/(loss) on Fair value of financial assets, net of tax		(232,454,009)	376,053,624
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (VII+VIII)		(195,006,297)	433,188,337
IX. Earnings per equity share:	29		
Basic		1.92	2.94
Diluted		1.92	2.94
Significant Accounting Policies	2		

The accompanying notes are forming integral part of Financial Statements

As per our Report of even date attached

For J D S & Co.

(ICAI Firm Regn.No.018400C)
Chartered Accountants

Sanjay Dewangan

Partner

Membership No. 409524

Place : Raipur

Date : 29th April, 2019

For and on behalf of the Board of Directors of Hira Ferro Alloys Limited

(N. P. AGRAWAL)

Managing Director

(Y C RAO)

Director

(MOHIT CHANDE)

Company Secretary

(DILIP CHAUHAN)

CFO

Cash Flow Statement for the year ended 31st March 2019

Particulars	Year ended 31.03.2019 (Amount in INR)	Year ended 31.03.2018 (Amount in INR)
A. Cash Flow From operating activities :		
Net Profit before tax as per Profit & Loss Account	21,278,724	78,481,499
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	57,435,467	54,898,227
Finance Costs	64,020,727	60,159,667
Provision for Gratuity	1,662,887	2,720,401
Allowances for doubtful debts	1,537,307	(2,152,494)
Interest Income	(12,704,279)	(16,971,936)
(Profit) / Loss on sale of investments	-	(11,939,106)
(Profit) / Loss on sale of fixed assets	-	(7,271,881)
Changes in assets and liabilities		
Trade Receivables	75,325,040	3,533,729
Inventories	(21,781,510)	(190,237,756)
Trade Payables	(37,697,172)	196,955,593
Loans and advances and other assets	(15,664,658)	(38,342,803)
Liabilities and provisions	43,936,001	(4,356,564)
	177,348,534	125,476,578
Income Tax Paid	(10,679,997)	(16,502,520)
NET CASH (USED)/GENERATED IN OPERATING ACTIVITIES	166,668,538	108,974,058
B. CASH FLOW FROM INVESTING ACTIVITIES :		
(Increase)/decrease in PPE including Capital WIP	(68,156,616)	(92,099,957)
Sale of Fixed Assets	-	15,948,145
Sale proceeds of sale of investments	-	12,701,460
Redemption/maturity of other bank balances	7,600,000	(16,486,689)
Interest received	12,704,279	16,971,936
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	(47,852,337)	(62,965,105)

Particulars	Year ended 31.03.2019 (Amount in INR)	Year ended 31.03.2018 (Amount in INR)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
(Repayment)/Proceeds of long-term borrowings	42,310,497	(91,938,609)
Proceeds / (Repayment) from short-term borrowings	(100,808,400)	76,325,002
Finance costs	(64,020,727)	(60,159,667)
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	(122,518,629)	(75,773,275)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(3,702,429)	(29,764,322)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,181,713	35,946,034
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,479,284	6,181,713
Notes		
(a) Cash and cash equivalent include the following :		
Cash on Hand	481,355	352,924
Balances with Scheduled banks	1,997,929	5,828,789
	2,479,284	6,181,713
(b) Figures in brackets represent outflows.		

As per our Report of even date attached

For J D S & Co.
(ICAI Firm Regn.No.018400C)
Chartered Accountants

Sanjay Dewangan
Partner
Membership No. 409524
Place : Raipur
Date : 29th April, 2019

For and on behalf of the Board of Directors of Hira Ferro Alloys Limited

(N. P. AGRAWAL)
Managing Director

(Y C RAO)
Director

(MOHIT CHANDE)
Company Secretary

(DILIP CHAUHAN)
CFO

Statement of changes in Equity as at 31st March, 2019

(Amount in INR)



Particulars	Equity Share Capital		Reserve & Surplus			Other Equity			Total Equity Attributable to equity holders of the Company
	Securities Premium	General Reserve	Retained Earnings	Re-measurement gain/(loss) on defined benefit plans, net of tax effect	Fair value of financial assets through OCI, net of tax				
Balance as of 1st April, 2018	1,042,000	124,801,310	982,631,231	(886,370)	387,991,561			1,691,464,731	
Profit/(loss) for the year	-	-	37,672,742	-	-	-	-	37,672,742	
Other Comprehensive Income/(Loss) for the year	-	-	-	-	-	-	-	-	
- Re-measurement gain/(loss) on defined benefit plans (net of taxes)	-	-	-	(225,030)	-	-	-	(225,030)	
- Profit/(loss) on Fair value of Financial assets through OCI (net of taxes)	-	-	-	-	(232,454,009)	-	-	(232,454,009)	
Balance as of March 31st, 2019	1,042,000	124,801,310	1,020,303,973	(1,111,400)	155,537,552			1,496,458,435	

The accompanying notes are forming integral part of Financial Statements

As Per Our Report Of Even Date Attached

For J D S & Co.

(ICAI Firm Regn.No.018400C)

Chartered Accountants,

Sanjay Dewangan

Partner

Membership No. 409524

Place : Raipur

Date : 29th April, 2019

(N. P. AGRAWAL)
Managing Director

(MOHIT CHANDE)
Company Secretary

(Y C RAO)
Director

(DILIP CHAUHAN)
CFO

For and on behalf of the Board of Directors of Hira Ferro Alloys Limited

Statement of changes in Equity as at 31st March, 2018

(Amount in INR)

Particulars	Equity Share Capital		Other Equity				Total Equity Attributable to equity holders of the Company
	Securities Premium	General Reserve	Retained Earnings	Other comprehensive income		Fair value of financial assets through OCI, net of tax effect	
				Re-measurement gain/(loss) on defined benefit plans, net of tax effect			
Balance as of 1st April, 2017	1,042,000	124,801,310	925,025,478	(415,330)	11,937,937	1,258,276,395	
Profit/(loss) for the year	-	-	57,605,753	-	-	57,605,753	
Other Comprehensive Income/(Loss) for the year	-	-	-	-	-	-	
- Re-measurement gain/(loss) on defined benefit plans (net of taxes)	-	-	-	(471,040)	-	(471,040)	
- Profit/(loss) on Fair value of Financial assets through OCI (net of taxes)	-	-	-	-	376,053,624	376,053,624	
Balance as of March 31st, 2018	1,042,000	124,801,310	982,631,231	(886,370)	387,991,561	1,691,464,731	

The accompanying notes are forming integral part of Financial Statement

As Per Our Report Of Even Date Attached

For J D S & Co.

(ICAI Firm Regn.No.018400C)

Chartered Accountants,

Sanjay Dewangan

Partner

Membership No. 409524

Place : Raipur

Date : 29th April, 2019

For and on behalf of the Board of Directors of Hira Ferro Alloys Limited

(N. P. AGRAWAL)
Managing Director

(Y C RAO)
Director

(MOHIT CHANDE)
Company Secretary

(DILIP CHAUHAN)
CFO

Notes to financial statements for the year ended 31st March, 2019

1. Corporate information

Hira Ferro Alloys Ltd. (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act. The company is mainly engaged in generation of electricity and manufacturing of Ferro Alloys.

2. Basis of preparation

- i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.
- ii) The standalone financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments and Defined benefit plans - plan assets).

2.1 Summary of significant accounting policies

a) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

c) Property, Plant and Equipment (PPE)

An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment is measured at :

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which is to be incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.

After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any

Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

d) Capital work in progress

Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.

Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment" . Expenditure of such nature incurred after completion of the project, is charged to Profit or Loss.

e) Depreciation and amortisation

- i) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- ii) Depreciation on Property, Plant & Equipment is provided on Straight Line Method based on estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013.

- iii) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.
- iv) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery.
- v) Leasehold land is amortised annually on the basis of tenure of lease period.
- vi) Other Intangible assets are amortized over technically useful life of the assets.

f) Income Taxes

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

i) Current income tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (permanent differences). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in India where the Company operates and generates taxable income.

ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

g) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

h) Financial Instruments**Initial Recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement**Non-derivative financial instruments****(i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Share capital**Ordinary Shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

i) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

j) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant

increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

k) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However for Balance Sheet presentation, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

l) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses if any.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

m) Inventories :

i) Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipments and are valued at costs or net realizable value (NRV) whichever is lower. The cost is determined using Weighted average and NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

ii) The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the net realisable value is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

iii) Cost of Raw Materials and stores & spares, Finished Goods & Goods in Process are computed on Weighted average basis.

iv) Cost of Finished Goods and Goods in Process includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.

n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, sales tax/value added tax (VAT) and goods & services tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

ii) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Dividends

Revenue is recognised when the company's right to receive payment is established, which is generally when shareholders approve the dividend.

o) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

p) Foreign Currency Transactions

- i) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date.
- ii) Exchange differences arising on translation or settlement of monetary items are recognised as income or expenses in the period in which they arise in Profit or loss.

q) Defined Benefit Plans

- i) The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- ii) Remeasurement, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement are not reclassified to profit and loss in subsequent periods.
- iii) Past service costs are recognised in profit or loss.

r) Segment Reporting Policies**Identification of segments :**

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products.

- i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- ii) Expenses that are directly identifiable with/allocable to segment are considered for determining segment results. Expenses that relate to company as a whole and not allocable to segment are included under unallocable expenditure.
- iii) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- iv) Segment results includes margin on inter-segment and sales which are reduced in arriving at the profit before tax of the company.
- v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Inter segment Transfers :

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

s) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Measurement of defined benefit obligations

The measurement of defined benefit and other post-employment benefits obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3. Property, plant & equipment

	Freehold Land	Leasehold Land	Site & Land Development	Factory Shed & Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Grand Total
Gross Block								
Carrying Value								
At 1st April 2017	44,797,177	6,102,070	20,978,383	138,294,915	902,379,440	12,260,399	17,033,803	1,141,846,187
Additions	-	-	-	-	48,820,001	-	8,420,502	57,240,503
Disposals	5,593,024	-	-	2,231,344	686,367	-	229,363	8,740,097
At 31st March, 2018	<u>39,204,153</u>	<u>6,102,070</u>	<u>20,978,383</u>	<u>136,063,571</u>	<u>950,513,074</u>	<u>12,260,399</u>	<u>25,224,942</u>	<u>1,190,346,593</u>
Additions	-	-	-	7,116,618	107,981,095	-	1,006,783	116,104,496
Disposals	-	-	-	-	-	-	-	-
At 31st March, 2019	<u>39,204,153</u>	<u>6,102,070</u>	<u>20,978,383</u>	<u>143,180,189</u>	<u>1,058,494,169</u>	<u>12,260,399</u>	<u>26,231,725</u>	<u>1,306,451,089</u>
Depreciation								
At 1st April 2017	-	238,388	-	11,597,578	117,085,882	5,169,210	6,118,517	140,209,574
Charge for the year	-	113,539	-	5,636,863	46,256,588	1,642,073	901,675	54,550,738
Disposals	-	-	-	63,833	-	-	-	63,833
At 31st March, 2018	<u>-</u>	<u>351,927</u>	<u>-</u>	<u>17,170,608</u>	<u>163,342,470</u>	<u>6,811,283</u>	<u>7,020,192</u>	<u>194,696,479</u>
Charge for the year	-	113,539	-	5,639,259	48,885,097	971,671	1,478,411	57,087,978
Disposals	-	-	-	-	-	-	-	-
At 31st March, 2019	<u>-</u>	<u>465,466</u>	<u>-</u>	<u>22,809,867</u>	<u>212,227,567</u>	<u>7,782,954</u>	<u>8,498,603</u>	<u>251,784,458</u>
Net Block								
At 31 March, 2018	<u>39,204,153</u>	<u>5,750,143</u>	<u>20,978,383</u>	<u>118,892,964</u>	<u>787,170,605</u>	<u>5,449,117</u>	<u>18,204,749</u>	<u>995,650,114</u>
At 31 March, 2019	<u>39,204,153</u>	<u>5,636,604</u>	<u>20,978,383</u>	<u>120,370,322</u>	<u>846,266,602</u>	<u>4,477,445</u>	<u>17,733,121</u>	<u>1,054,666,631</u>

4. Other Intangible assets

	Computer software	Total
Carrying Value		
At 1st April 2017	1,694,489	1,694,489
Purchase	-	-
At 31st March, 2018	<u>1,694,489</u>	<u>1,694,489</u>
Purchase	-	-
At 31st March, 2019	<u>1,694,489</u>	<u>1,694,489</u>
Amortization/adjustment		
At 1st April 2017	687,098	687,098
Charge for the year	347,489	347,489
Adjustment for the year	-	-
At 31st March, 2018	<u>1,034,587</u>	<u>1,034,587</u>
Charge for the year	347,489	347,489
Adjustment for the year	-	-
At 31st March, 2019	<u>1,382,076</u>	<u>1,382,076</u>
Net Value		
At 31st March, 2018	<u>659,902</u>	<u>659,902</u>
At 31st March, 2019	<u>312,413</u>	<u>312,413</u>

Note 5	As at	As at
NON CURRENT INVESTMENTS - FINANCIAL ASSET	31st March, 2019	31st March, 2018
	(Amount in INR)	(Amount in INR)
A. Investments in Equity Instruments;		
Carried at Fair Value through OCI		
Quoted		
1200000 (1200000) Equity Shares of ₹ 10/- each in Godawari Power and Ispat Ltd.*	277,800,000	517,260,000
Unquoted		
80100 (80100) Equity Shares of ₹ 10/- each in Hira Cement Ltd.	3,818,768	3,613,512
10000 (10000) Equity Shares of ₹ 10/- each in Hira Energy Ltd	146,900	100,000
510 (510) Equity Shares of ₹ 10/- each in Vimla Infrastructure (I) P. Ltd.	1,915,392	1,588,773
397000 (397000) Equity Shares of ₹ 10/- each in Alok Ferro Alloys Ltd	37,772,168	44,664,247
B Investments in Preference Instruments;		
Carried at Fair Value through OCI		
Unquoted		
1800000 (1800000) 9% Optionally Convertible Cumulative Preference Share of ₹ 100/- each in Godawari Green Energy Limited	211,964,104	205,009,483
	533,417,331	772,236,015
Investments carried at fair value through OCI		
Aggregate amount of quoted investments and market value thereof	277,800,000	517,260,000
Aggregate amount of Unquoted investments	255,617,331	254,976,015
Investments given as security		
* pledged for the credit facilities sanctioned to other company.		

Note 6	As at	As at
OTHER FINANCIAL ASSETS	31st March, 2019	31st March, 2018
	(Amount in INR)	(Amount in INR)
Unsecured, considered good		
Other Non current bank balances having maturity for more than 12 months	20,000	20,000
	20,000	20,000

Note 7	As at	As at
OTHER NON-CURRENT ASSETS	31st March, 2019	31st March, 2018
	(Amount in INR)	(Amount in INR)
Advances other than capital advances		
Unsecured, considered good		
Deposits with Govt. & Others	60,183,073	52,618,437
	60,183,073	52,618,437

Note 8	As at	As at
INVENTORIES	31st March, 2019	31st March, 2018
	(Amount in INR)	(Amount in INR)
(valued at lower of cost and net realisable value)		
(a) Raw Material	383,512,047	388,011,008
(b) Finished goods & By-products	54,981,329	25,479,784
(c) Stock-in-Trade	294,892	1,864,733
(d) Stores and spares	50,394,933	52,046,166
Total	489,183,201	467,401,691

Note 9 Trade Receivables	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Trade receivables considered good - Unsecured	79,795,683	156,658,030
Trade Receivables which have significant increase in Credit Risk	3,609,947	2,072,640
Trade Receivables - credit impaired	6,445,739	6,445,739
	89,851,369	165,176,409
Less: Provision for doubtful & expected credit loss	10,055,686	8,518,379
Total	79,795,683	156,658,030

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 10 Bank, Cash & cash equivalent	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Cash & cash equivalent		
(a) Balances with banks		
In current accounts	1,997,929	5,828,789
(b) Cash on hand	481,355	352,924
	2,479,284	6,181,713
Other bank balances		
On unpaid dividend (Refer Notes below- 1)	333,107	418,064
FDR with Bank (with original maturity of More than three months but less than twelve months) (Refer Note below-2)	38,372,216	45,972,216
Total	41,184,608	52,571,994

Notes:

- Balance held by the company which are not available for use by it and there was no amount due and outstanding to be credited to the Investor Education and Protection Fund.
- ₹ 383.72 lacs (31st March 2018: ₹ 459.72 lacs) as margin money deposits are pledged with various banks for availing LC, BG, OD facilities and pledged with other Govt. Departments.

Note 11 LOANS - FINANCIAL ASSET	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Other loans		
Loan to Body Corporates, considered good-Unsecured	68,895,953	109,408,298
Total	68,895,953	109,408,298

Note 12 OTHER CURRENT ASSETS	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Advances other than capital advances		
(i) Advance to vendors	161,256,964	167,198,485
(ii) Prepaid expenses	1,090,185	2,507,691
(iii) Balances with tax authorities	37,534,998	34,877,675
(iv) Deposit with Govt & Others	51,024,491	-
(v) Accrued Interest Income	12,654,290	10,364,711
Total	263,560,929	214,948,561

NOTE 13 EQUITY SHARE CAPITAL	As at 31st March, 2019		As at 31st March, 2018	
	No.	Amount in INR	No.	Amount in INR
Authorised 20000000 equity shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
Issued 19588500 Equity Shares of ₹ 10/- each	19,588,500	195,885,000	19,588,500	195,885,000
Subscribed and fully paid-up shares 19588500 equity shares of ₹ 10/- each fully paid-up	19,588,500	195,885,000	19,588,500	195,885,000
	19,588,500	195,885,000	19,588,500	195,885,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No.	Amount in INR	No.	Amount in INR
At the beginning of the period	19,588,500	195,885,000	19,588,500	195,885,000
Issue during the period	-	-	-	-
Outstanding at the end of the period	19,588,500	195,885,000	19,588,500	195,885,000

Terms/ rights attached to equity shares

- a The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- b In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- c **Details of shareholders holding more than 5% shares in the company**

	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10/- each fully paid				
M/s Godawari Power & Ispat Limited	9,491,000	48.45	9491000	48.45
Mr. Dinesh Agrawal	1,078,000	5.50	1078000	5.50
M/s Hira Infra-tek Limited	4,454,621	22.74	4454621	22.74
TOTAL	15,023,621	76.70	15,023,621	76.70

Note 14 BORROWINGS	EFFECTIVE INTEREST RATE	MATURITY	Non-Current portion		Current Maturities	
			As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Borrowings						
Term loans (Secured)						
from banks						
State Bank of India	13.85%	6-May-19	-	5,064,560	5,147,872	30,131,137
Other Loans & advances						
from bank and financial institutions(Secured)	9.40%	20-Jan-20	3,775,477	6,901,695	3,126,218	3,256,272
from body corporates (Unsecured)	9% to 12%		75,614,594	25,492,911	-	-
Total			79,390,071	37,459,166	8,274,090	33,387,409

Security and terms & conditions for above loans:

- a The term loans from banks aggregating to ₹ 51.48 lacs (Previous year ₹ 351.96 lacs) (including current maturities of ₹ 51.48 Lacs (Previous year ₹ 301.31 lacs) classified as Current maturities of long term debt in Note 18) are secured by first pari-passu charge on entire fixed assets of the company including wind mill and hypothecation of plant & machineries, equipments, furniture and fixtures, structures, other movable assets present and future and also charge over mortgage of land alongwith building etc. The Term Loans are further secured by second pari-passu by way of hypothecation of entire Current Assets consisting of Raw Materials, Finished Goods, Stores & Spares etc and Book Debts of the company (present and future) and also secured by Personal Guarantee of Promoters / Directors.
- b Other Loans from financial institution aggregating ₹ 69.02 lacs (P.Y. ₹ 101.58 Lacs) (including current maturities of ₹ 31.26 lacs(P.Y. ₹ 32.56 Lacs) classified as Current maturities of long term debt in Note 18) are secured by hypothecation of vehicles.
- c Other loans & advances from body corporates are repayable for more than one year.

Repayment terms for term loans:

Rupee term loan from banks outstanding aggregating to ₹ 51.48 lacs ,which shall be ended on 31st May 2019.

Note 15 PROVISIONS	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Provision for employee benefits	13,409,360	12,935,996
Total	13,409,360	12,935,996

Note 16 DEFERRED TAX LIABILITIES (NET)	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Deferred Tax Liabilities/(Assets)		
Temporary differences on account of PPE & Other intangible assets	177,332,605	212,804,106
Temporary differences on account of Trade Receivable	(2,797,492)	(2,843,776)
Temporary differences on account of Employee Benefits	(4,347,851)	(4,662,284)
Unused MAT Credit	(125,449,767)	(134,380,959)
Others	(14,598,640)	(14,477,246)
DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR	30,138,855	56,439,841

RECONCILIATION OF DEFERRED TAX LIABILITIES (NET)	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Deferred Tax Liabilities		
Deferred tax liability / (assets) at the beginning of the year	56,439,841	34,253,303
Deferred tax liability / (assets) during the year on account of timing difference	(1,304,585)	15,371,377
MAT credit utilized for previous years	9,696,028	-
Due to changes in tax rate	(33,927,593)	-
MAT Credit (arised)/ utilized	(764,836)	6,815,161
DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR	30,138,855	56,439,841

Note 17 BORROWINGS	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Secured		
From Banks (Secured)		
Working capital loans (repayable on demand)	273,696,343	281,424,517
Bank Over draft facilities	1,923,679	822,562
Working capital Buyers Credit	-	68,680,985
	<u>275,620,022</u>	<u>350,928,064</u>
Other loans and advances (Unsecured)		
Loans from Other Parties	58,814,990	58,822,438
	<u>58,814,990</u>	<u>58,822,438</u>
Total	<u>334,435,012</u>	<u>409,750,502</u>
Note 18 OTHER FINANCIAL LIABILITIES	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
(a) Current maturities of long term debt	8,274,090	33,387,409
(b) Unpaid Dividends	333,107	418,064
Total	<u>8,607,198</u>	<u>33,805,473</u>
Note 19 OTHER CURRENT LIABILITIES	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
(a) Renewal Purchase Obligation	69,049,327	57,482,604
(b) Other Payable	156,745,178	124,375,902
Total	<u>225,794,505</u>	<u>181,858,506</u>
Note 20 PROVISIONS	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Provision for employee benefits	2,229,108	1,029,629
Total	<u>2,229,108</u>	<u>1,029,629</u>
Note 21 REVENUE FROM OPERATIONS	2018-19 (Amount in INR)	2017-18 (Amount in INR)
Sale of products		
Manufacturing Goods and By-Products	2,029,036,662	1,939,186,390
Electricity	601,747,482	580,810,627
Traded Goods	27,179,250	2,754,000
Other operating revenues	8,624,170	741,285
Revenue from Operations (Gross)	<u>2,666,587,564</u>	<u>2,523,492,302</u>

Note 22 OTHER INCOME	2018-19 (Amount in INR)	2017-18 (Amount in INR)
Interest Income on		
Bank Deposits	2,935,120	2,759,983
Others	9,769,159	14,211,953
Net gain/(loss) on sale of investments (net)	-	11,939,106
Net gain/(loss) on sale of fixed assets	-	7,271,881
Income from Duty Draw Back & FPS License	650,006	164,274
Other non-operating income	866,107	560,684
Total	14,220,392	36,907,880

Note 23 COST OF RAW MATERIAL CONSUMED	2018-19 (Amount in INR)	2017-18 (Amount in INR)
Inventory at the beginning of the year	388,011,008	210,759,157
Add: purchases including procurement expenses (Net of Disposal)	1,594,884,347	1,924,042,967
	1,982,895,355	2,134,802,124
Less : Inventory at the end of the year	383,512,047	388,011,008
Cost of raw material and components consumed	1,599,383,308	1,746,791,116

Note 24 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE	2018-19 (Amount in INR)	2017-18 (Amount in INR)
Inventories at the end of the year		
Finished Goods & By-products	54,981,329	25,479,784
Traded Goods	294,892	1,864,733
	55,276,222	27,344,517
Inventories at the beginning of the year		
Finished Goods & By-products	25,479,784	19,614,506
Traded Goods	1,864,733	-
	27,344,517	19,614,506
Increase/(Decrease) in Inventories	(27,931,705)	(7,730,011)

Note 25 EMPLOYEE BENEFITS EXPENSE	2018-19 (Amount in INR)	2017-18 (Amount in INR)
Salaries, incentives & Managerial Remuneration	90,769,559	79,883,224
Contribution to provident and other fund	7,048,999	6,439,113
Gratuity Expense	2,845,048	2,720,401
Workmen and staff welfare expenses	343,610	297,758
Total	101,007,216	89,340,496

Note 26 FINANCE COST	2018-19 (Amount in INR)	2017-18 (Amount in INR)
Interest		
- on term loans	3,321,435	15,161,712
- on working capital	32,837,829	25,904,676
- on others	18,274,894	12,387,798
Bank charges	9,586,569	6,705,481
Total	64,020,727	60,159,667
Note 27 DEPRECIATION & AMORTISATION	2018-19 (Amount in INR)	2017-18 (Amount in INR)
Depreciation of Property, Plant & Equipment	57,087,978	54,550,738
Amortisation of Other Intangible Assets	347,489	347,489
Total	57,435,467	54,898,227
Note 28 OTHER EXPENSES	2018-19 (Amount in INR)	2017-18 (Amount in INR)
Consumption of stores and spares	53,536,836	44,971,556
(Increase)/decrease of excise duty on inventory	-	(2,178,730)
Packing Material Consumed	7,977,032	6,417,132
Power & Fuel	580,459,832	252,378,531
Water Charges	1,786,926	2,187,864
Material Handling & other manufacturing expenses	48,051,023	46,825,061
Insurance	2,258,501	1,886,228
Repairs and maintenance		
- Plant and machinery	51,737,621	50,229,196
- Buildings	3,311,326	2,620,525
- Others	3,148,625	2,122,045
Rebate, shortage claims & other deductions	32,488	398,899
Commission		
- Other than Sole selling agents	2,022,975	1,652,490
Travelling and conveyance	826,889	1,065,694
Communication expenses	378,873	554,351
Printing and stationery	610,388	524,030
Legal and professional fees	3,991,839	4,861,809
Directors' sitting fees	235,000	415,000
Payment to Auditor (Refer details below)	750,000	750,000
Security service charges	4,316,591	3,760,960
Loss/(Gain) on Foreign Exchnage transaction	3,969,246	(2,869,182)
Renewal Purchase Obligation	11,566,723	13,829,504
Allowances for Doubtful Debts	1,537,307	(2,152,494)
Electricity Duty Obligations	19,605,430	28,173,570
Miscellaneous expenses	40,109,637	37,786,801
Total	842,221,109	496,210,838

	2018-19 (Amount in INR)	2017-18 (Amount in INR)
PAYMENTS TO AUDITOR		
As auditor:		
Audit fee	600,000	600,000
Tax Audit fee	150,000	150,000
Total	750,000	750,000

	2018-19 (Amount in INR)	2017-18 (Amount in INR)
Note 29		
EARNINGS PER SHARE (EPS)		
Net Profit/(loss) after tax as per Statement of Profit & Loss attributable to Equity Shareholders	37,672,742	57,605,753
Net Profit after tax (after prior period deferred tax) as per Statement of Profit & Loss attributable to Equity Shareholders	37,672,742	57,605,753
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	19,588,500	19,588,500
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	19,588,500	19,588,500
Basic (₹)	1.92	2.94
Diluted (₹)	1.92	2.94

30. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS:

a. Defined Contribution Plan:

Amount of ₹ 70.49 lacs (P.Y. ₹ 64.39 lacs) is recognised as an expense and included in employee benefit expense as under the following defined contribution plans (Refer Note no 25)

	2018-19	2017-18
		(₹ in lacs)
Benefit (Contribution to):		
Provident and other fund	70.49	64.39
Total	70.49	64.39

b. Defined benefit plan:

Gratuity:

The Company provides for gratuity, a defined benefits retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 26 days salary for each completed year of service subject to a maximum of ₹ 20 lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

Particulars	Gratuity	
	2018-19 (Non Funded)	2017-18 (Non Funded)
I Change in Present value of defined benefit obligation during the year:		
Present value of defined benefit obligation at the beginning of the year	139.65	130.86
Interest Cost	10.30	9.15
Current Service Cost	18.15	18.05
Past Service Cost	-	-
Benefit paid directly by employer	(11.82)	(25.48)
Actuarial Changes arising from changes in financial assumption	2.16	(2.04)
Actuarial Changes arising from changes in experience assumption	(2.06)	9.11
Present value of defined benefit obligation at the end of the year	156.38	139.65

Particulars	Gratuity	
	2018-19 (Non Funded)	2017-18 (Non Funded)
II Change in fair value of plan assets during the year:		
Fair value of plan assets at the beginning of the year	-	-
Contribution paid by the employer	11.82	25.48
Benefit paid from the fund	(11.82)	(25.48)
Fair value of plan assets at the end of the year	-	-
III Net asset / (liability) recognised in the balance sheet:		
Present Valur of defined benefit obligation at the end of the year	156.38	139.65
Fair value of plan assets at the end of the year	-	-
Net asset / (liability) recognised in the balance sheet:	-	-
Net asset / (liability) - Current	22.29	10.30
Net asset / (liability) - Non Current	134.09	129.36
IV Expenses recognized in the statement of profit and loss for the year:		
Current Service Cost	18.15	18.05
Interest Cost on benefit obligation (Net)	10.30	9.15
Total expenses included in employee benefits expenses	28.45	27.20
V Recognized in other comprehensive income for the year:		
Actuarial Changes arising from changes in financial assumption	2.16	(2.04)
Actuarial Changes arising from changes in experience assumption	(2.06)	9.11
Recognized in other comprehensive income for the year:	0.10	7.07
VI Maturity profile of defined benefit obligation:		
Within the next 12 months (next annual reporting period)	22.29	7.61
Between 2 and 5 years	34.26	56.61
Between 6 and 10 years	76.71	55.91
VII Quantitative Sensitivity analysis for significant assumption is as below:		
1		
1% point increase in discount rate	144.75	128.76
1% point decrease in discount rate	169.74	152.21
1% point increase rate of salary Increase	170.32	152.96
1% point decrease rate of salary Increase	144.10	127.96
1% point increase rate of employee turnover rate	110.61	140.95
1% point decrease rate of employee turnover rate	154.99	138.17
2 Sensitivity Analysis Method:		
Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count.		
VIII Actuarial assumptions:		
1 Discount rate	7.70%	7.75%
2 Salary escalation	6.00%	6.00%
3 Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4 Mortality post retirement rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
5 Rate of Employee Turnover	1% to 8%	1% to 8%

Expected contribution to the defined plan for the next reporting period:

Notes:

- (i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2019. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected Unit Credit Method.

31. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

Investment made are given under the respective heads. Further the company has not given any guarantee.

Loan given by the Company in respect of loans as at 31st March, 2019

Name of Company	As at 31st March, 2019 (Amount in INR)	As at 31st March, 2018 (Amount in INR)
Ghanshyam Das Mundra	62,547,986	55,352,200
Narneel Multitrading Pvt. Ltd.	-	54,056,098
IGR Phenix Electron Pvt Ltd	6,347,967	-
	68,895,953	109,408,298

32. RELATED PARTY DISCLOSURE

a) **Related parties and their relationship :**

a) **Other Related Parties**

- Godawari Power & Ispat Ltd.

b) **Key Management Personnel**

- Mr. N. P. Agrawal, Managing Director
- Mr. Arvind Dubey, Director
- Mr. Manohar Khatri, Director
- Mr. Y.C. Rao, Director
- Mr. Dilip Chauhan, CFO
- Mr. Mohit Chande, CS

b) **Transaction with related parties in the ordinary course of business**

(₹ in lacs)

Nature of Transactions	Other Related parties		Key Managerial Personnel		Total	
	2019	2018	2019	2018	2019	2018
1. Purchase of Materials, Services and Others	687.11	492.79	-	-	687.11	492.79
2. Sale of Goods	3,662.77	2,229.79	-	-	3,662.77	2,229.79
3. Directors Remuneration and Salary	-	-	117.97	68.20	117.97	68.20
4. Balance Outstanding						
Balance receivable	144.10	-	-	-	144.10	-
Balance payable	-	183.72	-	-	-	183.72

c) **Details of Material Transaction with related parties**

	2019	2018
Purchase of Materials and Others		
Godawari Power & Ispat Ltd	498.89	492.79
Sale of Power and Goods		
Godawari Power & Ispat Ltd	3,662.77	2229.79
Service and Other Charges Paid		
Godawari Power & Ispat Ltd	11.80	0.00
Purchase of Fixed Assets		
Godawari Power & Ispat Ltd	164.02	0.00
Interest paid on Security Deposit		
Godawari Power & Ispat Ltd	12.40	0.00
Sale of Fixed Assets		
Godawari Power & Ispat Ltd	0.00	106.13
Remuneration/Salary Paid		
Mr. N. P. Agrawal	90.00	42.00
Mr. Arvind Dubey	17.13	15.65
Mr. Manohar Khatri	10.84	10.55
Mr. Dilip Chauhan	13.81	11.45
Mr. Mohit Chande	11.08	9.32
Balance Payable/(Receivable)		
Godawari Power & Ispat Ltd	(144.10)	183.72

33. Segment-wise Revenue Results :**Basis of preparation :**

- i) Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly Ferro Alloys and Power have been identified as the business segments.
- ii) The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since there is no Export Market Revenue, the same has not been disclosed. The entire capital employed is within India.

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Segment Revenue		
- Ferro Alloys	20,640.60	19,426.82
- Power	12,834.62	11,848.54
Total	33,475.22	31,275.36
Less: Inter-segment Sales	6,809.34	6,040.44
Total Income from Operations	26,665.88	25,234.92
 Segment Result		
- Ferro Alloys	1,215.47	1,173.92
- Power	(397.17)	(49.40)
Unallocable income/(expenditure)	34.69	261.89
Profit before finance and tax	852.99	1,386.41
Less: Finance Cost	640.21	601.60
Profit before tax	212.79	784.81
Less: Tax expenses	(163.94)	208.76
Profit after tax	376.73	576.06
 Segment Assets:		
- Ferro Alloys	10,069.27	9,893.87
- Power	10,582.28	11,124.73
- Unallocable	5,338.35	7,726.54
	25,989.90	28,745.14
 Segment Liabilities:		
- Ferro Alloys	8,780.32	8,217.38
- Power	1,806.19	2,879.72
- Unallocable	438.81	733.40
	11,025.32	11,830.50

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise of loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Price risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties non performance or default on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment and expected credit loss.

Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognised as income in the statement of profit and loss. The company measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and passed trends. Based on historical data, loss on collection of dues is not material hence no additional provisions considered.

Bank, Cash & cash equivalents

Bank, Cash & cash equivalents comprise cash in hand and deposits with bank which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31-03-2019	31-03-2018
		(₹ in lacs)
Trade and other receivables	797.96	1,566.58
Loans and advances	688.96	1,094.08
Bank, Cash & cash equivalents	411.85	525.72
Impairment losses	31-03-2019	31-03-2018
Trade and other receivables (measured under life time excepted credit loss model)		
Opening balance	85.18	106.70
Provided during the year	15.37	-
Reversal of provision	-	21.52
Closing balance	100.55	85.18

Ageing analysis

(₹ in lacs)

	31-03-2019	31-03-2018
Upto 3 months	663.59	1,473.98
3-6 months	14.36	8.28
More than 6 months	120.01	84.32
	797.96	1,566.58

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

(₹ in lacs)

	31-03-2019	31-03-2018
Cash Credit facility	263.04	185.75

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

(₹ in lacs)

As at 31st March, 2019	Less than 1 year	1-5 years	Total
Borrowings	3,427.09	793.90	4,220.99
Trade payables	4,085.28	-	4,085.28
Other financial liabilities	3.33	-	3.33
	7,515.70	793.90	8,309.60
As at 31st March, 2018	Less than 1 year	1-5 years	Total
Borrowings	4,686.31	119.66	4,805.97
Trade payables	4,462.25	-	4,462.25
Other financial liabilities	4.18	-	4.18
	9,152.74	119.66	9,272.40

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely affect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure

(₹ in lacs)

	31-03-2019	31-03-2018
Variable rate borrowings	2,807.68	3,861.24
Fixed rate borrowings	657.17	944.73

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

(₹ in lacs)

	Impact on profit after tax	
	31-03-2019	31-03-2018
Interest rates - increase by 70 basis points	(19.65)	(27.03)
Interest rates - decrease by 70 basis points	19.65	27.03

PRICE RISK:

The entity is exposed to equity price risk, which arised out from FVTPL quoted equity shares and FVTOCI quoted and unquoted equity shares including preference instrument. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk:

Equity Investments carried at FVTOCI are listed and not listed on the stock exchange. The impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of ₹ 107.95 lacs (2017-18: ₹ 154.45 lacs); an equal change in the opposite direction would have decreased profit and loss.

35. CAPITAL MANAGEMENT

The Company's main objectives when managing capital are to:

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
 - ensure compliance with covenants related to its credit facilities; and
 - minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
 - safeguard its ability to continue as a going concern
 - to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity

(₹ in lacs)

	31-03-2019	31-03-2018
Total long term debt	876.64	453.54
Less : Bank, Cash & cash equivalent	408.52	521.54
Net debt	468.13	(68.00)
Total equity	14,964.58	16,914.65
Net debt to equity ratio	0.03	-

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

36. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(₹ in lacs)

	Carrying amount			
	As at 31st March, 2019	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade receivables	797.96	-	-	-
Loans and other receivables (current)	688.96	-	-	-
Cash and bank balances	411.85	-	-	-
Total	1898.76	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	5334.17	2778.00	2556.17	-
Total	5334.17	2778.00	2556.17	-
Financial liabilities at amortised cost:				
Long term loans from banks	793.90	-	-	-
Short term loans from banks	3344.35	-	-	-
Trade and other payables	4085.28	-	-	-
Other financial liabilities (current)	86.07	-	-	-
Total	8309.60	-	-	-
	Carrying amount			
	As at 31st March, 2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade receivables	1566.58	-	-	-
Loans and other receivables (current)	1094.08	-	-	-
Cash and bank balances	525.72	-	-	-
Total	3186.38	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	7722.36	5172.60	2549.76	-
Total	7722.36	5172.60	2549.76	-
Financial liabilities at amortised cost:				
Long term loans from banks	119.66	-	-	-
Short term loans from banks	4352.43	-	-	-
Trade and other payables	4462.25	-	-	-
Other financial liabilities (current)	338.05	-	-	-
Total	9272.40	-	-	-

During the reporting period ending 31st March, 2019 and 31st March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

37. Contingent Liabilities not provided for, are in respect of :-

- I. Central Excise Duty ₹ 86.07 lakhs (Previous Year ₹ 169.32 lakhs)
- CST/VAT/Entry Tax ₹ 63.92 lakhs (Previous Year ₹ 59.90 lakhs)
- Electricity Cases ₹ Nil (Previous Year ₹ 7.64 lakhs)

In respect of above demands the Company has preferred Appeals before higher authorities.

- II. Counter Guarantees given against the bank guarantees issued by the companies banker aggregating to ₹ 948.45 lacs (P.Y.737.61 lacs).
 - III. Disputed energy development cess demanded by the Chief Electrical Inspector. Govt of Chhattisgarh ₹ 1884.73 Lacs (PY. ₹ 1784.31 Lacs). The Hon'ble High court of Chhattisgarh has held the levy of cess as unconstitutional vide its order dated 20th June 2008. The state government has filed a special leave petition before Hon'ble Supreme Court, which is pending for final disposal.
- 38.** During the year, the Hon'ble Income Tax Settlement Commission, Kolkata Bench has passed an order in respect of settlement proceedings of the company and due effect of the order has duly been accounted for in the books of account.
- 39.** The company has taken steps for getting the required informations but none of the supplier has provided information about their being Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) as at 31st March,2019. Therefore no details could be disclosed as required.
- 40.** Previous year figures are regrouped / rearranged wherever necessary.

The accompanying notes are integral part of the financial statements.

As per our Report of even date attached

For J D S & Co.
(ICAI Firm Regn.No.018400C)
Chartered Accountants

Sanjay Dewangan
Partner
Membership No. 409524
Place : Raipur
Date : 29th April, 2019

For and on behalf of the Board of Directors of Hira Ferro Alloys Limited

(N. P. AGRAWAL)
Managing Director

(MOHIT CHANDE)
Company Secretary

(Y C RAO)
Director

(DILIP CHAUHAN)
CFO



HIRA FERRO ALLOYS LIMITED

Registered Office: 567B, Urla Industrial Area, Urla, Raipur, Chhattisgarh
Corporate Office: Hira Arcade, Near New Bus Stand, Pandri, Raipur, Chhattisgarh
CIN: U27101CT1984PLC005837 website: www.hiraferroalloys.com

NOTICE OF ANNUAL GENERAL MEETING**TO ALL THE MEMBERS OF****HIRA FERRO ALLOYS LIMITED**

Notice is hereby given that the 35th Annual General Meeting of the Members of Hira Ferro Alloys Limited, will be held on Saturday, 10th day of August, 2019 at 11:00 AM at Second Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur, Chhattisgarh – 492001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements comprising of Balance Sheet as on 31st March, 2019 and Profit and Loss Account of the company for the year ended 31st March 2019 along with the reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Yarra Chandra Rao having Director Identification Number 00603401, who retires by rotation and being eligible for re-appointment, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Biswajit Choudhuri (DIN: 00149018) as an Independent Non-Executive Director and in this regard to consider, and if thought fit, to pass, the following Resolution as a Special Resolution:
“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. Biswajit Choudhuri (DIN: 00149018), who was appointed as an Independent Non-Executive Director and holds office as such up to the conclusion of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and being eligible for re-appointment and in respect of whom a written notice has been received under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Non-Executive Director of the Company for a second term of 5 (five) consecutive years on the Board of the Company upto the conclusion of the Annual General Meeting to be held in the Calendar Year 2024, not liable to retire by rotation.”

4. Re-appointment of Mr. Bhrigu Nath Ojha (DIN: 02282594) as an Independent Non-Executive Director and in this regard to consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mr. Bhrigu Nath Ojha (DIN: 02282594), who was appointed as an Independent Non-Executive Director and holds office as such up to the conclusion of this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and being eligible for re-appointment and in respect of whom a written notice has been received under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Non-Executive Director of the Company for a second term of 5 (five) consecutive years on the Board of the Company upto the conclusion of the Annual General Meeting to be held in the Calendar Year 2024, not liable to retire by rotation.”

5. To approve the remuneration of the Cost Auditor for the financial year ending 31st March, 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

By Order of the Board

Place: Raipur
 Date: 01.07.2019

Mohit Chande
 Company Secretary

NOTES

1. Proxy

A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself on a poll only and the proxy need not be a member of the company. Proxy forms should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

2. Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 03.08.2019 to 10.08.2019 (both days inclusive) for the purpose of Annual General Meeting for the year ended 31st March, 2019.

3. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.

4. Members/proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience.

5. Members holding shares in physical form are requested to advise any change in their registered address, to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, Mumbai quoting their folio number. Members holding shares in electronic form must send the advice about change in their registered address or bank particulars to their respective Depository Participant and not to the Company.

6. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.

7. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number and in case the shares are held in the dematerialized form, they must quote their Client ID Number and their DPID Number.

8. Information with respect to the details of the Director seeking appointment/re-appointment is given in the additional information on Directors recommended for appointment/reappointment forming part of this notice.

9. The Copies of resolutions of the Board is available for inspections by members at the registered office of the company during working hours on any working day till the date of the Annual General Meeting.

10. The following are the details of dividends paid by the Company and respective due dates for transfer

of unclaimed dividend to such IEPF of the Central Government:

Year of Dividend	Date of Declaration	Due date for transfer to IEPF
2011-12	29.09.2012	28.10.2019
2012-13	28.09.2013	27.10.2020
2013-14	27.09.2014	26.10.2021
2014-15	19.09.2015	18.10.2022
2015-16	NA	NA
2016-17	NA	NA
2017-18	NA	NA
2018-19	NA	NA

Further, the company shall not be in a position to entertain the claims of the shareholders for the unclaimed dividends which have been transferred to the credit of the Investor Education and Protection Fund of the Central Government under the provisions of section 125 of the Companies Act, 2013.

11. Voting through Electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended vide Companies (Management and Administration) Rules, 2015, the Company is pleased to provide members facility to exercise their vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting services provided by National Securities Depository Limited (NSDL). The Company also proposes to provide the option of voting by means of Ballot Form at the AGM in addition to the electronic voting system mentioned above.

The instructions for e- voting are as under:

- A. In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company/ Depository Participants):
 - (i) Open email and open PDF file viz," HFAL e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL:[http:// www.evoting.nsdl.com/](http://www.evoting.nsdl.com/)
 - (iii) Click on Shareholder- Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click login.

- (v) Password change menu appears. Change the password/PIN with the new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 - (vii) Select "EVEN – 110970" of HFAL.
 - (viii) Members can cast their votes online from **07.08.2019** till **09.08.2019**.
Note: E-Voting shall not be allowed beyond said time.
 - (ix) Now you are ready for e-voting as Cast Vote page opens.
 - (x) Cast your vote by selecting appropriate option and click on "submit" also "Confirm" when prompted.
 - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized Signatory(ies) who are authorized to vote, to the scrutinizer through e-mail to office. csps@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company / Depository Participants or requesting physical copy):
- (i) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com.
- III. Persons who have acquired shares and became Members of the Company after the dispatch of the Notice of the AGM (i.e. cut-off date for dispatch 30.06.2019) but before the cut-off date of 03.08.2019 may obtain their user ID and password for e-voting by sending a request at evoting@nsdl.co.in or write to our Registrar and Transfer Agent at rnt.helpdesk@linkintime.co.in
 - IV. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - V. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
 - VI. The e-voting period commences on Wednesday, 07.08.2019 (09:00 AM) and ends on till Friday, 09.08.2019 (05:00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date (record date) of 03.08.2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - VII. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as the cut-off date (record date) of 03.08.2019. In case of joint holders, only one of the joint holders may cast his vote.
 - VIII. Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through ballot. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - IX. E-Voting is optional to shareholders for casting their vote. The Company has appointed CS Brajesh R. Agrawal, C/o B.R. Agrawal & Associates, Practicing Company Secretary (CP No.5649 & Membership No. F5771) as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence

of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and shall declare result of the voting forthwith.

- XI. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hiraferroalloys.com and on the website of NSDL immediately after the result is declared by the Chairman or any other person as may be authorized by the Board.
12. The Ministry of Corporate Affairs, vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a "Green Initiative" by allowing paperless compliances by the companies to serve the requisite documents to its members vide e-mode, in pursuance to Section 53 of the Companies Act, 1956. Accordingly, the Company shall be required to update its database by incorporating your designated e-mail ID in its records. You are thus requested to kindly submit your e-mail ID to your depository participant and members

who holds shares in physical form are requested to send their email id at rnt.helpdesk@linkintime.co.in.

Further, the Shareholder who wants physical copy of Annual Report and Notice may send a request to rnt.helpdesk@linkintime.co.in, mentioning DP ID and Client ID. The same shall be provided free of cost by the Company.

13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours (10.00 am to 5.00 pm) on all working days, up to and including the date of the Annual general Meeting of the Company.

By Order of the Board

Mohit Chande (FCS-7144)
Company Secretary

Regd office : 567B, Urla Industrial Area,
Urla Raipur,

Chhattisgarh 493221

Date: 01.07.2019

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 & 4 :

Mr. Biswajit Choudhuri (DIN: 00149018) and Mr. Bhriugu Nath Ojha (DIN: 02282594), were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. They hold office as Independent Directors of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Company and on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Biswajit Choudhuri and Mr. Bhriugu Nath Ojha as Independent Directors, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

The Board of Directors considering their seniority, expertise and vast experience in their respective fields and contributions made by them during their tenure and the continued association of Mr. Biswajit Choudhuri and Mr. Bhriugu Nath Ojha, it is desirable to continue to avail their services as Independent Directors. The Board confident about that the directors are incumbents are in good physical condition and of sound and alert mind and the Board members are confident about them being able to function and discharge their duties in an able and competent manner.

The Board recommends to re-appoint Mr. Biswajit Choudhuri and Mr. Bhriugu Nath Ojha as Independent Directors, of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Pursuant to Section 149 of the Act, prescribe that an Independent Director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act and Section 149(10) of the Act provides that an independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent Director may hold office for up to two consecutive terms.

Mr. Biswajit Choudhuri and Mr. Bhriugu Nath Ojha are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members under Section 160 of the Act proposing the candidature of Mr. Biswajit Choudhuri and Mr. Bhriugu Nath Ojha for the office of Independent Directors of the Company.

The Company has also received declarations from Mr. Biswajit Choudhuri and Mr. Bhriugu Nath Ojha, that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 3 and 4 are provided in the "Annexure" to the Notice pursuant to Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Biswajit Choudhuri and Mr. Bhriugu Nath Ojha are interested in the resolutions set out respectively at Item Nos. 3 and 4 of the Notice with regard to their respective re-appointments.

The relatives of Mr. Biswajit Choudhuri, and Mr. Bhriugu Nath Ojha, may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolutions set out at Item Nos. 3 and 4 of the Notice for approval by the members.

Item no. 5

The Board, on the recommendation of the Audit Committee, has approved the reappointment and remuneration of M/s Sanat Joshi & Associates, Cost Auditor having Firm Registration No. 000506 to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 at a remuneration of Rs.45,000 (P.Y.Rs.40,000/-).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT:

Item No. 2: Re-appointment of Mr. Yarra Chandra Rao:

In accordance with the provisions of Section 152(6) (c) of the Companies Act, 2013 and the Company's Articles of Association, Mr. Yarra Chandra Rao shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. Yarra Chandra Rao, Non Executive Director aged 54 years, Mr. Yarra Chandra Rao has been managing all the secretarial and legal compliances with ease and efficiency. Associated with the company since 1996, he was appointed as Director in April 1999. He is a fellow member of the Institute of Company Secretaries of India and an Associate Member of the Institute of Cost and Works Accountants of India (ICWAI). Being a Law Graduate from the University of Calcutta, he possesses flair in handling all the legal matters with proficiency.

He started his career with M/s. Orient Paper and Industries Limited, one of the Birla Group of Companies. He has been also associated with M/s. Paradeep Phosphates Limited (a Joint Venture with the Government of Nauru) as Company Secretary for four years. He has worked with all his heart and soul to see the company where it is today. He is presently working as a President (Legal) and Compliance Officer of Godawari Power And Ispat Limited and member in Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and CSR Committee of the Company. Mr. Yarra Chandra Rao is holding 15 Equity Shares of the Company. Upon his re-appointment as a Director, Mr. Yarra Chandra Rao, shall continue to hold office as a Non-Executive Director.

Accordingly, the Board recommends his re-appointment. Except Mr. Yarra Chandra Rao, none of the Directors and Key Managerial

Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the agenda Item No. 2.

Details of Directors whose re-appointment as Directors is proposed at Item No. 2 is provided in the "Annexure" to the Notice pursuant to Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

By Order of the Board

Mohit Chande (FCS-7144)
Company Secretary

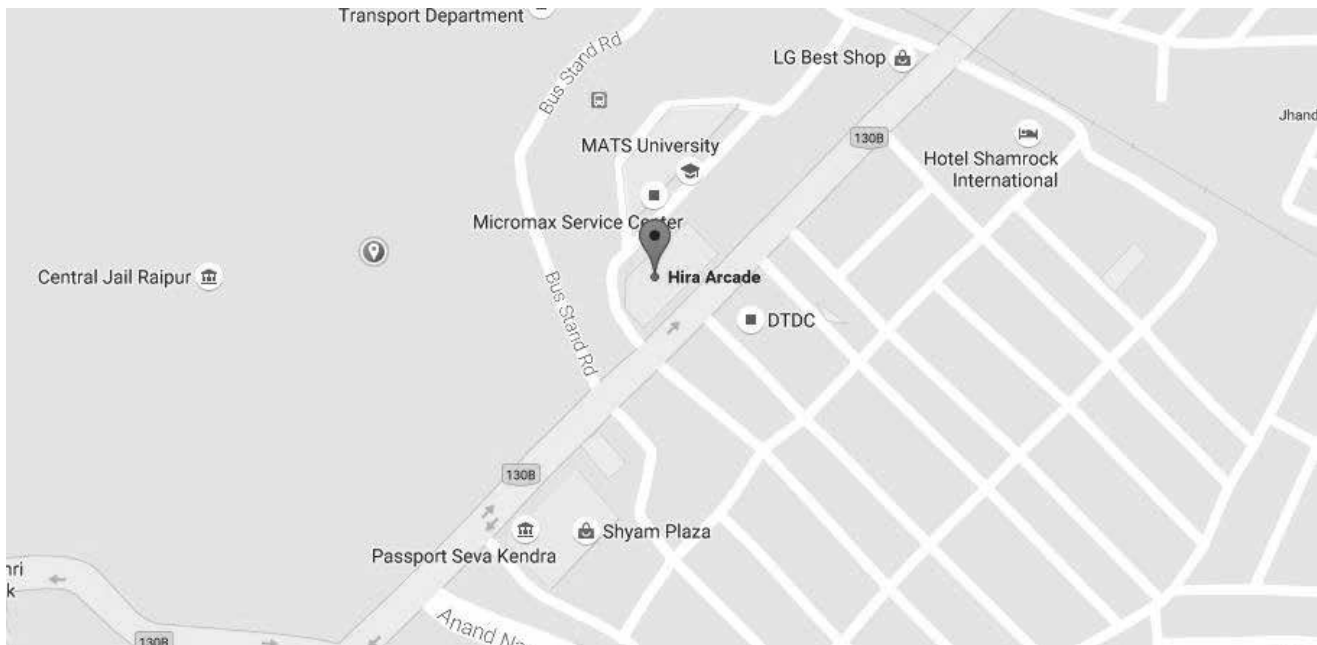
Regd office : 567B, Urla Industrial Area,
Urla Raipur,
Chhattisgarh 493221

Date: 01.07.2019

Venue of the Meeting

Hira Ferro Alloys Limited

Second Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur, Chhattisgarh-492001



ANNEXURE

Particulars of Directors seeking appointment / reappointment/ Retiring by Rotation at the ensuing Annual General Meeting (In Pursuance of regulation Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India):

Name	Mr. Biswajit Choudhuri	Mr. Bhrigu Nath Ojha	Mr. Yarra Chandra Rao
Age	77 Years	75 Years	54 Years
Qualification	B.Tech (Hons), Fellow Member of ICWAI	Bachelor of Electrical Engineering	Fellow Member of ICSI and Associate Member of ICWAI and LLB
Experience in specific functional area	Engineering, Banking and Finance, Management	Power Sector	Corporate Law, Indirect Tax & Legal Matters
Date of Appointment on the Board of the Co.	25.09.2007	14.06.2008	26.04.1999
Terms and conditions of appointment or re-appointment	As per the resolution at Item No. 3 of the Notice convening Annual General Meeting dated 01.07.2019 read with explanatory statement thereto	As per the resolution at Item No. 4 of the Notice convening Annual General Meeting dated 01.07.2019 read with explanatory statement thereto	Since he is a Non-Executive Director, no terms of appointment were fixed.
Remuneration last drawn (including sitting fees for FY 2018-19, if any)	1,20,000 (Sitting Fees)	85,000 (Sitting Fees)	30,000 (Sitting Fees)
Remuneration proposed to be paid	Sitting Fees shall be paid within the prescribed limits laid under the Companies Act, 2013	Sitting Fees shall be paid within the prescribed limits laid under the Companies Act, 2013	Sitting Fees shall be paid within the prescribed limits laid under the Companies Act, 2013
Nature of expertise in specific functional areas	More than five decades of experience in Engineering, Banking, Finance and Management	Over five decades of experience in Power sector.	Over three decades of experience in Corporate Law, Indirect Tax
Name(s) of other Listed entities in which the person holds the Directorship	Ludlow Jute & Specialities Limited Godawari Power & Ispat Limited	Godawari Power & Ispat Limited	None
Chairman/Member of the Committee of the Board of Directors of the Company	1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders Relationship Committee 4. CSR Committee*	1. Stakeholders Relationship Committee* 2. Audit Committee 3. Nomination and Remuneration Committee*	1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders Relationship Committee 4. CSR Committee
Chairman / Member of the Committee of the Board of Directors of other Companies in which he is a Director.	Audit Committee 1. Ludlow Jute & Specialities Ltd. 2. Hindusthan Engineering & Industries Limited* 3. Godawari Power & Ispat Limited * Stakeholders Relationship Committee 1. Godawari Power & Ispat Limited 2. Hindusthan Engineering & Industries Limited* CSR Committee 1. Hindusthan Engineering & Industries Limited Nomination And Remuneration Committee 1. Ludlow Jute and Specialities Limited* 2. Godawari Power & Ispat Limited 3. Hindusthan Engineering & Industries Limited*	Audit Committee 1. Godawari Power & Ispat Limited 2. Godawari Green Energy Limited 3. Ardent Steel Limited* Stakeholders Relationship Committee 1. Godawari Power & Ispat Limited* CSR Committee 1. Ardent Steel Limited 2. Godawari Green Energy Limited* Nomination and Remuneration Committee 1. Ardent Steel Limited* 2. Godawari Green Energy Limited*	None
No. of Shares held by the Directors	NIL	NIL	15
Relationship with Directors inter-se	None	None	None
No. of Board Meetings held/ attended during the year FY 2018-19	04/04	04/03	04/04



HIRA FERRO ALLOYS LIMITED

Registered Office: 567B, Urla Industrial Area, Urla, Raipur, Chhattisgarh
Corporate Office: Hira Arcade, Near New Bus Stand, Pandri, Raipur, Chhattisgarh
Contact no. 0771-4082746 Fax: 0771-4057601
CIN: U27101CT1984PLC005837 Email id : mohit.chande@hfal.in Website : www.hiraferroalloys.com

**REQUEST TO THE SHAREHOLDERS OF THE COMPANY
WHO ARE HOLDING SHARES IN PHYSICAL MODE FOR CONVERSION OF THEIR PHYSICAL SHARES
CERTIFICATE INTO DEMAT MODE AND UPDATE THEIR PAN AND BANK DETAILS ETC.**

Pursuant to the Notification G.S.R 853(E) dated September 10, 2018, the Ministry of Corporate Affairs (MCA) has mandated to hold securities in dematerialized mode for the purpose of effecting transfer of securities or subscribing to additional/ new securities, w.e.f. October 2, 2018.

Accordingly, the member is hereby requested to convert their shares from physical to Demat form at the earliest, in order to comply with the above provisions. The shareholder(s) who are not having DEMAT Account may open a DEMAT account with a Depository Participant (DP), registered with National Securities Depository Limited (NSDL) or with Central Depository Services Limited (CDSL). For the purpose of dematerialization, you are requested to contact your Depository Participant (DP) with whom you have opened your Demat Account and thereafter you may dematerialized your shares with the ISIN - INE573I01011 of the Company.

You may access FAQ on Transfer and Dematerialization of Shares from the link mentioned at NSDL <https://nsdl.co.in/services/demat.php> and CDSL <https://www.cdslindia.com/investors/q-and-a.html>

We also request you to complete the below mentioned documents / formalities and submit to the RTA immediately on receipt of this letter:

1. Self-attested copy of PAN Card of all the holders. In case of residents of Sikkim, please provide valid Identity proof issued by Government;
2. Original cancelled Cheque leaf with name (if name is not printed, self-attested copy of the pass book first page);
3. Address proof: Aadhaar card or Passport or Utility bills like Telephone Bill, Electricity Bill, Gas Bill not more than 3 months old.

We further request the members to kindly update their email Ids and contact number to obtain faster, accurate and complete communications from the Company.

In this connection, the company/RTA has sent letters to the shareholders, who are holding shares in physical mode.

In order to give effect to the above, the shareholders who hold physical shares certificate are requested to:

1. dematerialize your physical shares certificate as the Company shall not be able to entertain any request for transfer of securities in physical form after 2nd October, 2018 and,
2. Update your PAN & Bank Accounts details with M/s Link Intime India Private Limited, C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, Contact No. 022 - 4918 6270 Toll-free number : 1800 1020 878 and email at rnt.helpdesk@linkintime.co.in.

Please note that if you have already forwarded the details/documents and/or dematerialized shares, please ignore this communication.

This information is not an integral part of Notice of Annual General Meeting.



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PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014 – Form No. MGT-11]

Name of the member (s):
Registered address:
E-mail Id:
Folio No / Client Id:
DP ID:

I/We, being the member(s) holding.....shares of the above named company, hereby appoint:

- (1) Name..... Address.....
Email Id..... Signature.....or failing him/her;
- (2) Name..... Address.....
Email Id..... Signature.....or failing him/her;
- (3) Name..... Address.....
Email Id..... Signature.....

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the company, to be held on the Saturday the 10th day of August, 2019 at 11:00 AM at Corporate Office of the Company situated at 2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur - 492001, Chhattisgarh and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Sl. No.	Resolutions	Optional*	
		For	Against
1.	Consider and adopt: Audited Financial Statements, Reports of the Board of Directors and Auditors		
2.	Re-appointment of Mr. Y.C.Rao, who retires by rotation		
3.	Re-appointment of Mr. Biswajit Choudhuri (DIN: 00149018) as an Independent Non-Executive Director		
4.	Re-appointment of Mr. Bhriagu Nath Ojha (DIN: 02282594) as an Independent Non-Executive Director		
5.	Approval of Remuneration of the Cost auditors		

Signed this..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix ₹
1/-Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. *This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



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Attendance Slip

Registered Folio / DP ID & Client ID

Name and address of the Shareholder

1. I/we, hereby record My/Our presence at the 35th Annual General Meeting of the Company of the Company held on Saturday the 10th day of August 2019 at 11:00 AM at the Corporate office of the Company at 2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur – 492001.
2. Signature of Shareholder/Proxy Present:.....
3. Shareholder/ Proxy holder wishing to attend the meeting must bring the duly signed attendance Slip to the meeting.
4. Shareholder/Proxy Holder attend the meeting is requested to bring his/her copy of the Annual Report.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING

ELECTRONIC VOTING PARTICULARS

E-VOTING EVENT NUMBER [EVEN]	USER ID	PASSWORD
110970		

Note: Please read the instructions given in the Notes to the Notice of 35th Annual General Meeting dated 01.07.2019. The E-Voting period starts from 09:00 AM on Wednesday, 07.08.2019 and ends at 5:00 PM on Friday, 09.08.2019. The e-voting module shall be disabled by NSDL for voting thereafter.



HIRA FERRO ALLOYS

HIRA FERRO ALLOYS LIMITED

CIN: U27101CT1984PLC005837

Registered Office and Works: 567B, 568 & 553B, Urla Industrial Complex, Raipur - 493221, Chhattisgarh, India

P: +91 771 4082450-51, **F:** +91 771 4082452

Corporate Office: Hira Arcade, Near New Bus Stand, Pandri, Raipur - 492001, Chhattisgarh, India

P: +91 771 4082000, **F:** +91 771 4057601

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